# BUDGET NARRATIVE

## PUBLIC SAFETY SERVICES PROGRAM – 002

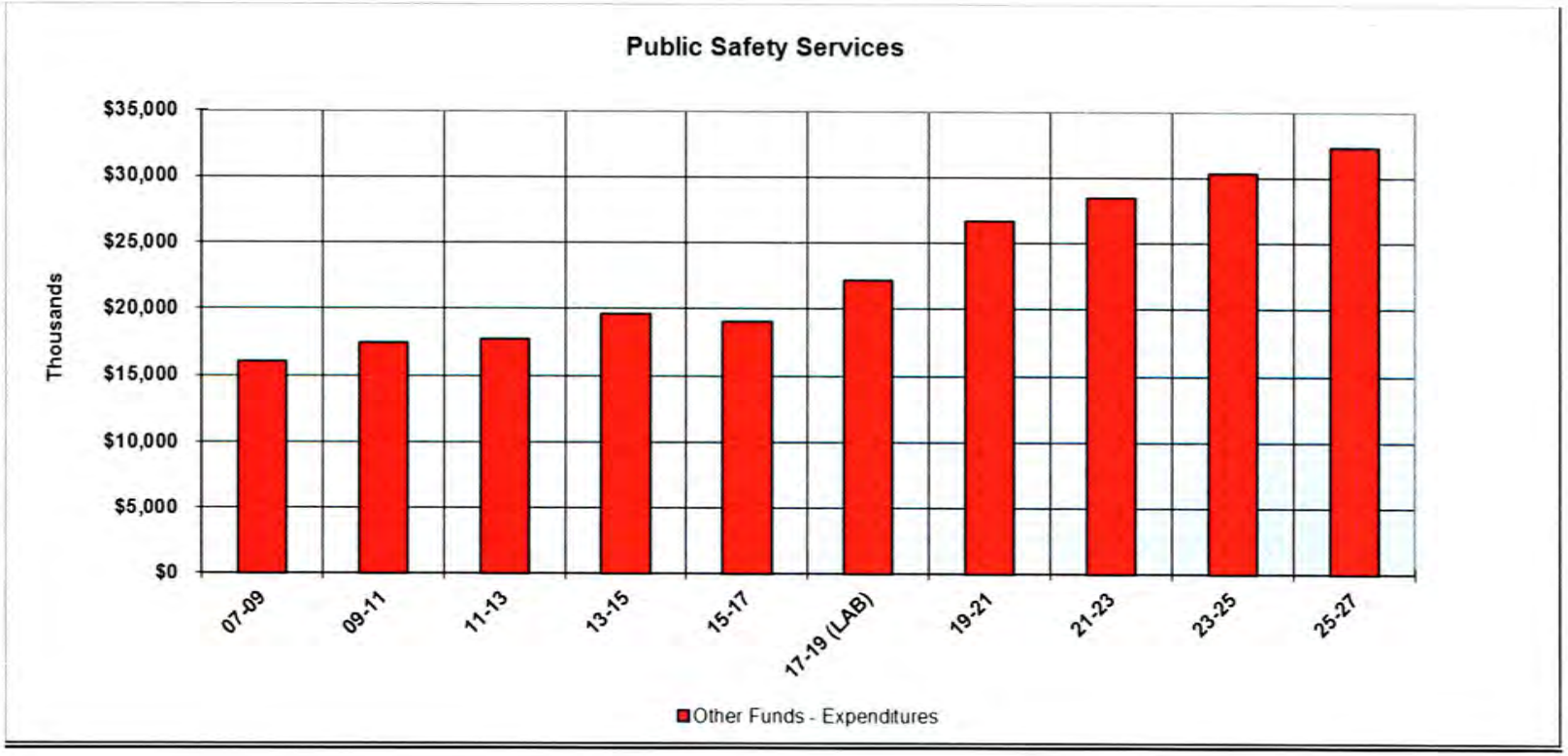
**2019-21 OLCC Budget**

### PROGRAM UNIT EXECUTIVE SUMMARY

**A. PRIMARY OUTCOME AREA** Economy and Jobs

**B. PROGRAM CONTACT** Will Higlin, OLCC Deputy Director, 503-872-5224

**C. FUNDS BUDGET AND PERFORMANCE**



## D. PROGRAM OVERVIEW

The OLCC Public Safety Services (PSS) Program regulates the manufacture, distribution and sale of alcohol beverages and provides management of personnel who oversee the production, processing, and sale of recreational marijuana while encouraging the development of Oregon's economy. This program is focused on ensuring the legal sale of alcohol and marijuana, service of alcohol to responsible adults, and minimizing alcohol and marijuana-related public safety risks. This program implements all fundamental agency responsibilities and strategies related to licensing, education and enforcement; this effort has statewide reaches and contributes to the quality of community life throughout Oregon. A primary mission for this work is to prevent the sale of alcohol and marijuana to minors.

In 2019-21 the Public Safety Services Program is requesting the following packages to meet the challenges of a growing and complex regulatory structure for alcohol, marijuana, and the Bottle Bill:

- Policy Option Package 203 "Liquor License Fee Increase for Revenue Generation" raises funding for much needed upgrades in infrastructure and information technology and offset the use of other liquor funds that can be distributed to the state, cities and counties.

- Policy Option Package 205 "Public Safety Statewide Dispatch Services" requests funding to continue the cost of maintaining the Oregon State Police dispatch services for OLCC's Inspectors in the field.

- Policy Option Package 206 "Licensing Staff Fulfillment" requests funding for staffing services for efficient licensing and permitting, an increase in demand for public records and effective management in licensing. This package requests funding for one limited duration double fill of a metro area Event Licensing Specialist AS1 position, one Principal Executive Manager D for alcohol licensing, one Principal Executive Manager B for license process, one Operations and Policy Analyst 2 for public records, 3 Office Specialists 2s for alcohol service permits and a reclass for the Director of Licensing from a Principal Executive manager E to a Principal Executive Manager F.

- Policy Option Package 207 "Public Safety Enforcement Staff Fulfillment" requests funding for the addition of two Liquor Regulatory Specialists, one for the Salem office and another for Eugene.

- Policy Option Package "408" Marijuana Program Enhancement" located in the Marijuana Program budget requests funding for staff including 8 marijuana regulatory specialists to ensure regulatory compliance, 1 laboratory compliance specialist to focus on laboratory compliance, protocol and regulation, 3 office specialists 2s to utilize the information

stored on video to enforce compliance and prevent or detect diversion, as well as funding for continuing strategic and tactical communications support related to marijuana, reclassification of positions to reflect actual duties, and increasing annual marijuana license fees by $100 to accommodate the increase in program expense if all the proposed policy option packages for recreational marijuana are approved.

- Policy Option Package 209 "Regulatory Specialist Reclassification" requests differential funding for Regulatory Specialists to implement findings by DAS Classification and Compensation unit in a compensation study of the liquor and marijuana regulatory class positions.

## E. PROGRAM FUNDING REQUEST

The Agency Request Budget is $28,351,233 Other Funds limitation for the 2019-21 biennium, including 118 positions and 116.00 FTE.

## F. PROGRAM DESCRIPTION

The Public Safety Services Program is vital to meeting the agency's mission to support businesses, public safety, and community livability through education and the enforcement of liquor and marijuana laws. The three divisions within this Program are focused on OLCC's primary objective of preventing alcohol and marijuana from getting into the hands of minors, and preventing the over-service of alcohol:

- License Services Division – responsible for investigating and processing license applications and renewals for alcohol and marijuana licensees, and issuing alcohol service permits and marijuana worker permits.

- Alcohol Education Division – responsible for overseeing private industry server education providers and other programs that train people to sell and serve alcohol legally, as well as the development and implementation of the marijuana worker permit education program.

- Public Safety Division – responsible for educating licensees, investigating complaints, and enforcing liquor and marijuana laws through sanctions if education is not effective.

- Administrative Policy and Processes Division – reviews the final OLCC internal investigative reports for technical sufficiency. It provides due process to the OLCC's licensees, permit fees, applicants and liquor agents by developing the

agency record at contested case hearing and ensuring consistent application of policies and laws. Please note that the AP&P Division was reported as part of the Support Services; however in 2017-19 it was moved to Public Safety to enhance coordination between with the Public Safety Division.

The Public Safety Program is responsible for providing statewide services to every Oregon community. For 2019-21, OLCC will be responsible for the oversight of more than 17,000 alcohol licensees, including 11,900 restaurants, bars, grocery and convenience stores, plus 279 liquor stores, 89 distiller locations, and 165,000 alcohol service permittees throughout the state. In addition the Program provides oversight for 2,300 marijuana licenses including producers, processors, wholesalers, retailers, laboratories and 31,000 marijuana worker permittees. To ensure statewide reach, the Program continues to build upon the need for community services through five regional offices and eight satellite offices, including its headquarters in Milwaukie. All four divisions of the Program work with businesses, citizens, local government and law enforcement to license, educate, and enforce if required through charges and sanctions, Oregon's liquor and marijuana laws with the goal of to preventing public safety issues statewide.

## G. PROGRAM JUSTIFICATION AND LINK TO LONG TERM OUTCOMES

The State of Oregon generates over $1.45 billion dollars of retail alcohol sales for the two year budget period. Revenue generated from these sales pays for OLCC cost of spirits distribution, and the greater share of overall agency administration and the Public Safety Division Services Program. Since the inception of the marijuana program, marijuana now pays, by formula and positions, its share of overall costs, including substantial support for the Public Safety Program. The recreational marijuana program is solely funded by application and licensing fees; the work of the OLCC supports tax revenue collected and distributed by the Department of Revenue. The OMMP Medical Marijuana Tracking Program is funded by transfers from the Oregon Department of Revenue's Marijuana Administrative Fund; these transfers of recreational marijuana tax dollars are made prior to distribution of revenue through the established marijuana distribution formula. The state has chosen to create a regulated market that requires adherence to standards of complex laws and rules that are focused on creating both a market for the sale and service of alcohol and marijuana and comprehensive controls to minimize public safety risks and to support local businesses and community livability. Revenues from the programs are dedicated to programs that support health and public services including education and public safety. Inherent in the mosaic of state laws concerning alcohol and marijuana is the directive to control public safety risks and prevent health risks associated with abuse.

Alcohol is widely available throughout the state and is a major part of Oregon's economy and culture. Marijuana is widely available through licensed retail outlets throughout Oregon in communities that have opted into the recreational marijuana program. New businesses such as producers, processors, wholesalers and retail are becoming an increasingly important generator of economic development and tax proceeds to fund city, county and state services. If abused, alcohol and marijuana can contribute to increased crime and health problems that exact high societal costs. In providing for access to alcohol and marijuana, Oregon has three high

priority issues for control: 1) keeping alcohol and marijuana out of the hands of minors; 2) preventing the over service of individuals, and 3) preventing illegal diversion of marijuana in or out of the legal market.

The OLCC Program, through its ability to control the sale and service of alcohol and marijuana, connects to Oregon's long-term desire for growing the state's economy by supporting the safe operation of small business and the creation of urban and rural jobs. It also connects with the long-term goal of minimizing alcohol and marijuana-related risks to the public and providing for public safety.

Oregon's alcoholic beverage system, including the hospitality, tourism, grocery, and beer and wine industries, provides thousands of jobs for Oregonians in restaurants, hotels, grocery and convenience stores, bars and taverns. Oregon local producers, such as winemakers, brewers and craft distillers, also rely on Oregon's agricultural industry to supply them with raw materials for their alcohol products. Similarly, Oregon's recreational marijuana system provides jobs and tourism opportunities. OLCC's ability to efficiently and quickly issue appropriate statute-required licenses and permits to qualified individuals and entities in both the alcohol beverage and recreational marijuana programs generate economic benefits throughout rural and urban Oregon. Educating licensees, and monitoring and enforcing their compliance with liquor and marijuana laws, does more than keep businesses in compliance and out of trouble; it creates an industry-wide business climate of viability and profitability within local communities and reflects a tremendous statewide responsibility for the provision of education, licensing and public safety services statewide.

The Program links to supporting and building Oregon's economy and the creation of jobs in the following ways:

- **Protecting the public and consumers from harm.** The Program works with licensees and communities to respond to community level problems associated with the consumption and service of alcohol and marijuana with an emphasis on education and prevention strategies as a key part of a regulatory system that ranges from corrective compliance to loss of licensing and service privileges.

- **Proactively encouraging Oregon's economy and communities**. The Program contributes to the growing and stable revenue for the support of public programs by focusing on supporting the success of licensees and their employees.

The Program also links to statewide long-term health and safety strategies by minimizing the over consumption of alcohol and recreational marijuana and eliminating driving while under the influence of intoxicants. The OLCC is active in its support of public messages for responsible consumption and fostering public understanding of what is legal. Distributed revenues also support these strategies at both the state and local level.

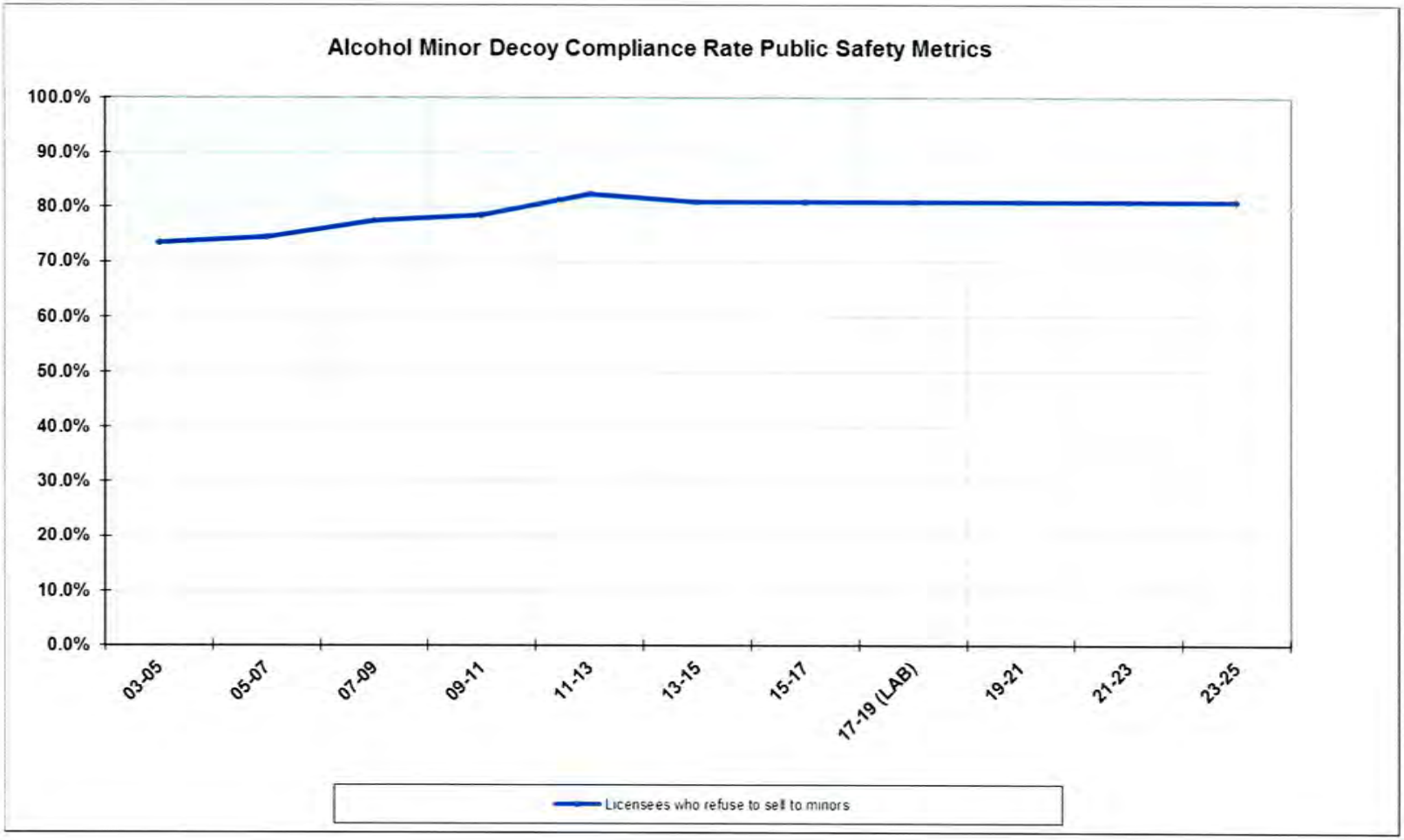
The OLCC is also working to enhance the available of timely community-level data. Improvements in the reporting and timeliness of data through public safety sources and the health community guides OLCC's community level responses in its efforts to prevent alcohol and marijuana-related health and safety issues. The OLCC will use the community level data to monitor trends in alcohol and marijuana abuse; based on data, the OLCC can adjust its practices in order to continually contribute to improving the overall safety and health of Oregonians. In regard to these issues, the overall and full societal cost of liquor and recreational marijuana consumption by Oregonians should be understood, and the OLCC works to maintain an environment of positive returns within the context of its systems and authorities under state law.

The state system of control can be a contributor to increased public safety and better health outcomes. The Public Safety Services Program links to general long-term goals for health and safety by supporting actions that are preventative in nature:

- Reduction of mortality and morbidity:
  - Provide server education and hold licensees who violate regulations accountable – including the denial and suspension of license privileges.
  - Support public services messages focused on the responsible use of alcohol and marijuana and the prevention of driving under the influence.

- Enhancing community safety:
  - Enforce prohibition on the sale of alcohol and marijuana to minors aggressively
  - Provide local funding to assist local policing, health services, and education
  - Use an awareness of health and public safety data to monitor success in controlling access to alcohol and marijuana, particularly to minors
  - Use an awareness of health and public safety data to direct community and licensee prevention actions
  - Communicate what is legal to promote public and personal safety.

## H. PROGRAM PERFORMANCE




The graph above shows trends in the rates of successful minor decoy operations at alcohol licensees. The statewide average for alcohol minor decoy compliance (percent of operations did not result in a sale) reached a high of 84% in 2013 but went down to 81% in 2015. The rate of successful minor decoy operations at alcohol licensees is lower than at marijuana licensees. The agency will take steps in 2019-21 to address this discrepancy and improve overall compliance rates.

OLCC started minor decoy operations in marijuana retail stores in December 2017. Minor decoy operations were one of the first proactive compliance actions the agency conducted at recreationally licensed marijuana retailers. Due to the concerning amount of sales to state sanctioned minor decoys, in January 2018 the Commission escalated the penalty schedule for marijuana sale to a minor (OAR 845-025-8590). After the first couple of visits, the word getting out in the industry, and the increase in penalties, the sales rate decreased to 10% with a successful no sale rate of 90%. Bend has visited all but one of their licensed retailers and has maintained a 100% no sale rate.

## I. ENABLING LEGISLATION/PROGRAM AUTHORIZATION

The OLCC administers Oregon's Liquor Control Act. The OLCC's authority is derived from Oregon Revised Statutes Chapters 471, Alcoholic Liquor Generally; Chapter 473, Wine Cider and Malt Beverage Privilege Tax; Chapter 474, Trade Practices Related to Malt Beverages; Chapters 459A.700 to 74, Beverages Containers; the Bottle Bill; Chapter 475B, Cannabis Regulation, and Administrative Rules Chapter 845.

## J. FUNDING STREAMS

All OLCC programs are funded by OLCC-generated revenue. All revenue received by the OLCC is classified as "Other Funds." Revenues come from liquor sales, alcohol and marijuana license fees and fines, server permit and marijuana worker permit fees, taxes on malt beverages and wines (Privilege Tax) and miscellaneous income. ORS 471.805 directs the OLCC to distribute available moneys to the state General Fund, cities, counties, and mental health. The Marijuana program is funded solely through recreational marijuana program application, licensing and permit fees. Marijuana tax revenue is collected and distributed by the Oregon Department of Revenue to state and local governments for statewide education, state and local policing and health programs. The OMMP Tracking Program is paid for by Marijuana Tax deposited to the Marijuana Administrative Fund of the Oregon Department of Revenue and proceeds of OHA fees to support costs related to the Cannabis Tracking System.

## K. SIGNIFICANT PROPOSED PROGRAM CHANGES FROM 2017-19

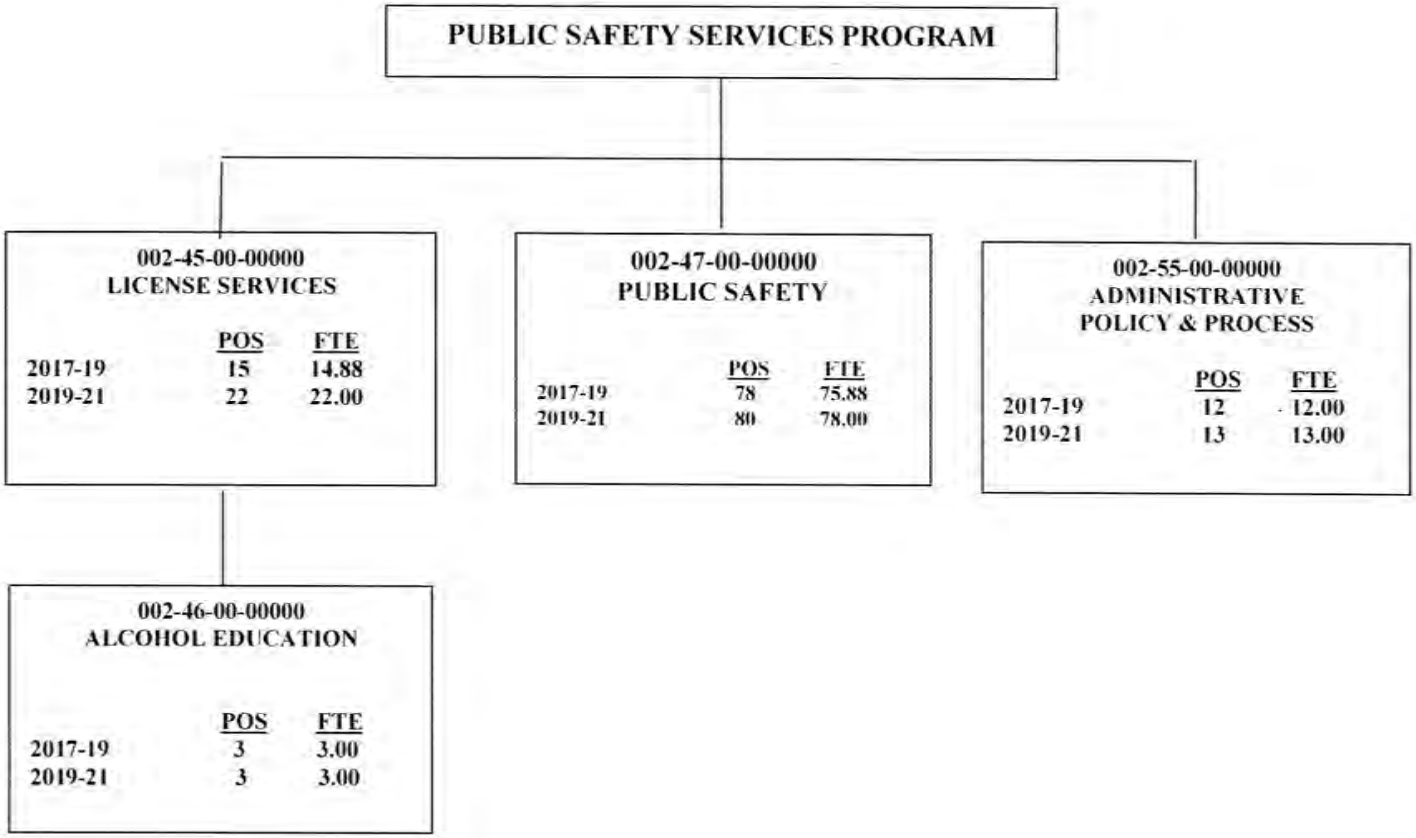
The 2019-21 Legislative Request Budget moves the Administrative Policy and Process Services Division (subprogram 55) from the Administration and Support Services Program – 003 to the Public Safety Services Program – 002.

# BUDGET NARRATIVE

## PUBLIC SAFETY SERVICES PROGRAM (002)

### 2019-21 OLCC BUDGET

**Organization Chart**



# BUDGET NARRATIVE

## A. PURPOSE, ACTIVITIES & ISSUES

The Program regulates the manufacture, distribution and sale of alcoholic beverages and marijuana. It protects public safety within the context of ORS 471.030 and ORS 475B.025, while encouraging the development of all Oregon industry. The mission of the agency is to integrate and balance its role in supporting business, public safety, and community livability through education and the enforcement of liquor and marijuana laws.

Management of the public safety program continues to develop and evolve as the OLCC continues to grow. The OLCC has begun to separate the management of licensing and compliance divisions due to extremely high employee to supervisory ratios. This change has allowed the agency to keep work flow within one defined chain of command leading to more consistent decisions and outcomes. Compliance and Licensing will always be intertwined at a functional level at the regional offices.

Regulation of alcohol and marijuana use is essential to minimizing these products' risk to society, while making it available for responsible consumption. Irresponsible use is widely recognized as a cause of social and health problems including increased criminal activity such as crimes of violence and domestic abuse, driving under the influence, and addiction - all significant factors for society's desire to regulate the availability and consumption of alcohol and marijuana. Regulation is a focus of government, not only because of concern for the health, safety and welfare of all individuals, but also because substance abuse burdens society with high-costs related to preserving health and the livability of communities. Controlling the misuse of alcohol and marijuana, and setting standards for the responsible sale and service of alcohol and marijuana, is a means to preventing both problems and limiting costs to the state.

At the same time, the responsible use of alcohol is intertwined with Oregonians love of food, sport, entertainment and social and cultural relationships and celebrations. The sale and service of alcohol is an important part of the Oregon economy including not just those business and jobs related to the manufacturing, shipping, marketing, warehousing, distribution and sales to the public, but it is a major component of our hospitality, tourism, and special events business base. These activities represent a significant portion of the Oregon economy and both the alcohol and marijuana related sectors are notably creating jobs and rural employment in Oregon.

The purpose of the Program is to help ensure licensees and permittees comply with liquor and recreational marijuana laws: to protect public safety and safeguard Oregon's economic development and viability. State law and OLCC rules and regulations surrounding alcohol and marijuana are designed to balance and integrate policies and practices to regulate various aspects of the alcoholic beverage and recreational marijuana systems in a socially responsible manner.

# BUDGET NARRATIVE

A main strategy for protecting the public and community welfare is to prevent underage consumption of alcohol and marijuana. Alcohol is a major contributor in the four leading causes of teen deaths: highway crashes, homicides, suicides and drowning. Minor alcohol consumption is also linked to other crimes such as sexual assault, vandalism, excessive noise, littering and public urination – which deeply affect communities' livability. Other priorities include preventing over consumption by patrons in licensed businesses and preventing driving under the influence of intoxicants (DUII) through education and enforcement.

The Program consists of four divisions: License Services, Alcohol Education, Administrative Policy and Process, and Public Safety. The organizational structures of these divisions are designed to achieve an integrated approach to the work the agency does to control alcohol and marijuana sales and use.

This Program is responsible for the outcomes of approving licenses for the sale and service of alcohol, approving licenses for the production, processing, testing and sales of marijuana, educating and permitting servers and marijuana worker permittees, inspecting licensed premises and enforcing standards for operations, access to sales, preventing access to alcohol and marijuana by minors, and preventing over service of alcohol or sales to intoxicated patrons in marijuana retail stores. Licensing is the initial layer of protection for public safety in Oregon. Proper licensing helps to ensure compliant operations and the process of licensing vets ownerships through criminal background checks.

To achieve these outcomes, the OLCC Public Safety Public Safety Program focuses on education, training and licensee and permittee community level interactions to achieve compliance and prevent serious violations. Sanctions and penalties are progressive but designed to ensure that recalcitrant licensees and permittees are appropriately sanctioned, up to and including the loss of licenses or permits.

During the 2015-17 biennium the agency's alcohol licensing and compliance staff assisted the Marijuana Program in licensing activities, necessitated by the number of license applications, expertise of existing staff, delays in hiring, and the training required of new marijuana staff to be fully operational. During the 2017-19 biennium, the agency continued to receive marijuana applications at a staggering pace and renewals were complicated by significant shifts in licensee operations and ownership. The transition of moving compliance resources away from licensing and back to compliance activities has been problematic for license processing due to the complexity of recreational marijuana licensing and renewals. However the "all hands" on deck strategy succeeded in establishing a full supply chain of licensees that has generated over $200 million in revenue. Only after the supply chain was intact did OLCC move staff back to necessary compliance oversight of alcohol and marijuana licensees. During the 2019-21 biennium, licensing will require additional compliance staff to satisfy the continuing demand for licensing and renewals. This will allow the agency to continue on its initial launching of an active compliance program for all license types. As well, it will improve the management accountability for licensing by isolating the service, and by focusing on the factors of policies, resources, and time to

licensure that will define its efficiency. In the near term, maintaining a flow of license renewals and approvals to meet demand will require additional resources.

To create efficiencies and agency-wide consistency, the agency has unified alcohol and marijuana services under a single management structure and employing shared support service. Under this integrated model, inspections in public safety inspect both alcohol and marijuana licenses through individual inspectors are assigned to each area. Both alcohol and marijuana licensing is carried out by the licensing program through a professional staff that is dedicated by license type. Many personnel in both compliance and licensing are cross trained and have the knowledge to perform both alcohol and marijuana compliance and licensing work.

## B. BACKGROUND

*The structural components of the program are:*

**The License Services Division** investigates applications and issues licenses and permits for alcohol businesses, marijuana businesses and special events. The division also issues permits for alcohol servers and marijuana workers. The marijuana program pays for its proportional share of the costs for operating this integrated service.

A liquor license is a key component for most businesses in the hospitality and grocery industries. A liquor license is a statutory requirement for all producers of distilled spirits, beer, wine and cider. A recreational marijuana license is a statutory requirement for all producers, wholesalers, processors, retailers, laboratories, and research businesses. These industries thrive in Oregon where the cost of licensure is very low for alcohol businesses, affordable for marijuana businesses, and the licensing framework and process is straightforward and easily navigated compared to other states. Licensing staff works with applicants, providing the initial education and assistance with liquor and recreational marijuana laws and working to develop safe, responsible businesses for communities. Staff closely reviews local governments input when processing new and renewing annual licenses and event licenses, to ensure the community voice is heard and listened to when the input cites statutory and actionable denial criteria. License Services Division is also responsible for permitting and certifying out-of-state alcohol producers and distributors that sell and ship spirits to the OLCC or beer, wine and cider products to Oregon businesses.

This Division is also responsible for the outcomes of supporting business development through licensing in a fair and consistent manner. It is also charged with creating an overall healthy and safe business climate for the responsible sale of alcohol and marijuana products throughout Oregon.

**The Alcohol and Marijuana Education Division** provides educational services to prevent violations and support compliance of businesses and their employees related to alcohol and marijuana sales, alcohol service, and general overall responsibilities for working or employing staff in all license types for marijuana. The staff in this program evaluate online and in-person alcohol server education classes, oversees server education providers and is responsible for the course curriculum. This program is also responsible for the online recreational marijuana worker permit education and application system. Service permit and education staff work together to provide qualified and trained workers to service the hospitality industry in Oregon, and the producers, processors, wholesalers, and retailers of recreational marijuana. Education staff also work with industry, prevention groups, schools and local jurisdictions to provide information about all aspects of control of alcohol and marijuana and the prevention of its abuse. Alcohol education staff are also responsible for administering the Responsible Vendor and Clerk training programs that train staff in making legal sales to adults and licensees. Employers are provided the incentive of a one-time break on an errant minor sale when they commitment to purchase and install age verification technology at sales registers.

This Division is responsible for the outcomes of providing and monitoring service permits in the alcohol program and recreational marijuana worker permits in the marijuana program. Education about regulations and techniques to control patrons contributes to business sustainability, supports public safety, and is a most effective means of achieving agency goals. Because of the OLCC's strong believe in the vital importance of education, the OLCC is seeking communications funds for both alcohol and marijuana to get education information out to the public and licensees. This division was a vital part of the highly regarded "What's Legal" campaign educating the public about the limited ways marijuana was made legal in Oregon and has been a part of every media campaign promoting drinking responsibly. It has consistently collaborated with agency partners in the development of radio and video spots on the dangers of driving buzzed and promoting the practice of designating drivers that do not drink at parties or other social events.

**The Public Safety Division** operates thirteen offices statewide whose staff conduct local license investigations, respond to complaints, and investigate liquor and recreational marijuana law violations. The Marijuana Program will pay for its proportional share of this cost. The top priorities are: educating licensees and the staff of licensed establishments on liquor and recreational marijuana laws and strategies to run a safe business; preventing sales to minors and visibly intoxicated persons; preventing disorderly establishments; and minimizing community and other substance-related problems caused by alcohol and marijuana businesses and their patrons, such as impaired driving. If preventative efforts through education are insufficient, the Division can use its administrative authority to gain compliance. This can involve warnings, fines, license restrictions, suspensions and ultimately license or permit cancellations. These latter strategies are a last resort because they have negative impacts on the livelihoods of the people working in the businesses and on the economic viability of the communities at large.

The Division is working more proactively with local communities to tailor regulatory compliances plans to their needs and develop community-based solutions. Field office staff also work in partnership with local governments and community groups to resolve or

prevent problems created by liquor and marijuana businesses or their patrons. Staff work closely with universities to administer their substance abuse policies on campuses. They provide training and education at DPSST; The Police Academy; Oregon universities, colleges and schools; tribal governments and MADD. In addition to regulating the alcohol industry, the division also enforces laws related to unlicensed sales, adults furnishing alcohol to minors, and minor keg parties. The scope of OLCC's authority to regulate the recreational marijuana market is limited to the licensed premises framework by law. The agency relies on local, state and federal law enforcement to enforce laws outside of the recreational framework. The agency has initiated its OLCC Medical Tracking Program and will assist the Oregon Health Authority by carrying out compliance inspections of OHA medical grows who grow for more than two medical cardholders — this law change means that these OHA growers will have to report daily on their production, sharing of marijuana with OMMP cardholders, and record annual sales of up to $20 pounds of marijuana into the recreational system.

The Public Safety Services Division collaborates with a variety of entities to provide services, create solutions and increase communication. The program staff has been active on the Governor's Advisory Committee on DUII and in working with the Governor's Alcohol and Drug Policy Committee, the Oregon Association of Chiefs of Police, Oregon State Sheriffs' Association, Office of Mental Health and Addiction Services Department, Oregon Lottery, local law enforcement agencies, State Police, and city and county government agencies. OLCC continues to work with Portland's office of Community and Civic Life on livability and public safety concerns. Since 2007-09, the program has been focusing more on outreach and coordination with other organizations and the industry. It also began working more closely with Oregon Partnership, a non-profit alcohol and drug prevention organization that share OLCC's interest in preventing alcohol use by minors. The OLCC is currently evaluating how it communicated internally and with its partners to facilitate opening channels of communication and engagement; its work in that regard will ensure effective long-term partnerships for the agency and provide it with a greater ability to structure important compliance and community prevention messages.

The activity of the Public Safety Services Division is reflected in by the following output measures:

Alcohol

As of July 15, 2018, the Public Safety Services Program has more than 17,000 active liquor licenses:

- More than 14,000 are retail businesses that serve or sell alcohol directly to the public.
- There are approximately 165,000 active alcohol service permits
- Over 9,500 temporary sales licenses are approved annually

Marijuana

The program provides management in the central headquarters office in Milwaukie, and to the field offices for the licensing and compliance activities in the recreational marijuana program. Marijuana license fees are allocated to pay the program's proportional share of the management cost. OLCC currently has 1,986 active marijuana licenses and an additional 2,436 licensing applications received. The sheer number of license requests including renewals has impacted OLCC's ability to transfer resources from licensing to compliance. The number of marijuana licenses and permits for 2017-2019 are as follows:

- 1,074 producers, 129 wholesalers, 182 processors, 577 retailers, and 23 labs
- 31,000 active marijuana worker permits
- 729 OMMP premises in the Cannabis Tracking System

This Division is responsible for the outcomes of regulatory compliance of licensees and permittees throughout all regions of the state, utilizing both education and enforcement strategies. The actions of the Division are not just focused on finding violations; it is also about providing education to licensees in order to create an understanding of the alcoholic beverage and recreational marijuana industry's needs in order to attain compliance. This education strengthens the overall industry's sustainability and increases individual opportunities for business success.

***Administrative Policy and Process Division (AP&P)*** *(subprogram 55)* This important division reviews the final OLCC internal investigative reports for technical sufficiency in issuing changes of violations. It provides due process to the OLCC's licensees and case presenters represent the agency in administrative hearing before an administrative law judge (ALJ), the unit drafts rules and provides for the commission setting of permit fees and violations, it makes recommendations to the commission on cases returning to the OLCC commission and provides for the commission adoption of final orders cases for licensees, holders of servers permits, and those involving worker permits, The staff assist the Commission and Executive Director in the consistent application of policies, with maintaining understanding of the relation of current case to prior Commission decisions and informing them of applicable laws. The unit consults frequently with the Oregon Department of Justice for legal advice. In addition, the unit is responsible for a growing amount of official and required notifications of violations, hearings, and final orders. Please note that the AP&P Division was reported as part of the Support Services; however in 2017-19 it was moved to the Public Safety Program to enhance coordination between this unit and the Public Safety Division.

This division is responsible for the outcomes of: leading transparent processes for policy and regulator rulemaking; ensuring effective agency representation in contested case matters; and, providing for the fair and equitable application and resolution of violations, penalties, and settlements. Importantly, while the division director is managed and supervised within Public Safety, on case and policy matters the OLCC Executive Director is a direct report.

***Issues***

The Program has long worked to balance the concerns of its wide range of stakeholders. Licensees and license applicants expect fair, speedy and responsive service from the OLCC. The public expects to be able to buy alcoholic beverages from a variety of convenient outlets such as grocery stores, restaurants, and taverns and marijuana products from OLCC licensed retail stores. The public expects business operators to comply with liquor and recreational marijuana laws, especially laws related to avoiding alcohol and marijuana sales to minors and intoxicated persons. Neighbors of liquor outlets and recreational marijuana retailers do not want businesses to have adverse impacts on their communities. Public Safety Services Program staff work to balance all of these concerns in partnership with diverse groups, such as local government, law enforcement, and neighborhood associations, to provide quality service to all Oregonians while promoting the responsible sale of alcohol and marijuana.

The program faces many challenges in ensuring the public's safety from the abuse and misuse of alcohol and marijuana, and helping businesses to comply with laws so they can stay in business, provide jobs, and enhance their communities. Changes in our social environment, marketing trends, and media exposure have contributed to the stress on program resources to keep up with the pace of a growing population; for example, social media allows large crowds to be drawn together in a matter of hours, often overwhelming safeguards and crowd control preparations. Crowd control and security are growing problems within portions of Oregon's cities and metropolitan areas. Underage drinking and marijuana consumption continues to be a major problem across the nation and in Oregon. The OLCC realizes it cannot alone adequately address the problem, but it can be a major part of the solution by ensuring alcohol and marijuana is not available to minors from licensed premises. The OLCC's public safety concerns also focus on alcohol over-serving and specific licensed businesses that present liquor law compliance challenges.

In 2018, the Program had about 17,000 alcohol licenses (including out-of-state businesses that require licenses to ship product to Oregon). By July 15, 2018 the recreational marijuana program has issued 1,986 recreational marijuana licenses. Program staff screens out license applicants according to statutory criteria-applicants whose histories show they would be a poor risk for complying with liquor and recreational marijuana laws. These include convicted felons, those who cannot demonstrate financial responsibility, persons with ties to organized crime, people with serious drug or alcohol abuse problems, and people who cannot demonstrate the ability to control existing problems with their patrons. OLCC is constantly reviewing and evaluating criteria for the issuance of licenses in both programs. The 17,000 alcohol licenses include about 14,085 premises located in Oregon that hold licenses to sell or service alcohol and need to be continually monitored by Program staff. Consumption of marijuana by persons other than medical card holders are not allowed by statute in licensed premises.

The program continues to experience a steady increase in the demand for liquor and recreational marijuana licenses, alcohol server permits and marijuana worker permits. OLCC continues to look for non-staff level methods and technology to improve and streamline the process-both internally and externally for our customers-to maintain efficiency levels and issue licenses as quickly as possible to get and keep people in business. However, the recreational marijuana program has had longer than expected delays in processing original licenses and renewals due to a myriad of factors including complexity and higher than expected demand.

**Program strategies to efficiently and effectively get and keep businesses in business and support the state economy include:**

***Customize for today's marketplace and community needs***

*Update licensing policies*
As the marketplace innovates, OLCC can support the economy by proactively helping keep the Legislature aware of entrepreneurs' modern business models, and revise statutes as appropriate. OLCC can also reinterpret existing laws and rules, or amend its rules, to reflect modern industry standards and needs. Examples from recent years include OLCC's rules to allow liquor licensing of the popular and proliferating food cart businesses in Portland (FY 2014); its support of a new special events distillery license (FY 2013) and expanded privileges for licensed distilleries, including distilled spirits tastings (FY 2014); along with accommodating the expanded public desire to use "growlers;" in 2013 the Legislature began to allow liquor license holders to sell wine and cider, in addition to beer, in containers provided by the customer. Two key issues going forward will be the examination of regulation of e-commerce for alcohol marketing and the implementation of licensing policies to aid in managing over supply in Oregon's marijuana marketplace.

*Tailor community-based regulatory plans*
The Public Safety Division has been working more proactively with local communities to tailor regulatory compliance plans to their needs and develop community-based solutions.

***Educate sellers and servers***

*Education first*
The agency's compliance philosophy in both the alcohol and recreational marijuana programs is education first. Education is the backbone and the first step in the process of gaining voluntary compliance. The Public Safety Program will continue to analyze its enforcement actions to make sure the needs of stakeholders and the public are met.

The OLCC is reviewing its processes to ensure it uses its enforcement and punitive strategies – including penalties such as license suspensions, fines and ultimately business closures – in extreme circumstances or as last resorts – to protect the public from safety threats posed by licensees or permittees not able to comply with laws even after education efforts. Education for licensees and server and marijuana worker permit holders is only a first step; investigators and inspectors can provide ongoing education and corrective feedback to help ensure liquor and recreational marijuana law compliance, especially for new licensees and start-up businesses.

*First Call Program*
The Public Safety Division's First Call Program helps give new retail licensees the resources to successfully comply with liquor laws. Division staff visit newly licensed businesses, businesses whose ownership is changing, and businesses with restrictions placed on their newly issued licenses. Program staff visit within 90 days of the license issuance to provide education and information on all liquor laws, review any restrictions to ensure the licensee understands them, and help solve any compliance issues without penalty for non-priority violations during this 90-day start-up period. In the recreational marijuana program, applicants are visited by inspectors prior to licensure.

***Gain efficiencies and improve customer services:***

*Redesign workloads*
In order to continue to be an effective agency, the program continues to seek ways for the OLCC to issue liquor and recreational marijuana licenses in a timely manner in the face of growing numbers of people wanting OLCC services. The program remains committed to streamlining the license process to reduce regulatory barriers to getting people into business.

*Rely more on technology*
The OLCC is heavily reliant on technology in all aspects of its work from accepting orders and shipping alcohol from the warehouse to accepting and issuing worker permits electronically. As with all service providers, OLCC's customers have come to expect electronic formats for serving their needs. OLCC is in the process of modernizing its digital commerce and regulatory businesses lines to serve its licensees and permit holders and meet the expectations of the Governor and legislature. The OLCC has relied on solid systems that are at end-of-life or simply too inflexible to adapt to the pace of the dynamic business changes the OLCC is managing. Both the executive and legislative branches of government have supported the initiation of several projects to move the agency forward and the agency received authorization for a Chief Information Officer during the 2018 legislative session. Other areas of this requested budget positions the agency to plan, contract and integrate critical business system for the operations of the spirits program, all public safety services including licensing systems, Public Safety case management and violations tracking, and critical systems for financial accounting and tax collections. The agency is currently working with the State CIO's office and DAS Procurement to design a single integrated strategy to advance for contract and funding approvals. The agency proposes to set aside funding limitation until it meets the many Stage Gates of approval each project will require. Only then will the agency request spending authority from the legislature or its Emergency Board. The agency recognizes that its business partners and customers have a role in economizing the direct expense of these systems. Designing a modular software design that is flexible to changing business requirements and adaptable to modification is a core goal for the efficiency of future IT systems. This entirety of work is central to the OLCC public safety mission.

## C. EXPECTED RESULTS

Based on the agency mission, strategic plan and performance measures the Public Safety Services Program expects the following results in the 2019-21 biennia:

- **Decrease the availability of alcohol to minors through licensed premises**
  Attain an 82 percent compliance rate for 1,800 minor decoy operations per year, a key performance measure (KPM) target established by the 2013 legislative session.
- **Improve liquor law compliance as shown by a limited number of repeat violators**
  Limit to 12 percent the number of licensed businesses who deserve receiving a second violation within two years of the first, a key performance measurement (KPM) target established by the 2013 legislative session.
- **Increase contact with licensees and service permittees**
  Visit at least 25 percent of all licensed premises during the biennium; check for service permits and inform licensees about other compliance requirements.
- **Balance enforcement**
  Maintain existing minor intervention programs: minor decoy, college/contacts, high-priority ID checking, and false ID investigations. Of these programs, spend 60 percent of time on enforcement activities on minor decoy operations and 40 percent on the other programs.
- **Issue licenses efficiently**
  Enable Oregon businesses to begin and operate safely and responsibly a soon as possible. Issue alcohol licenses more quickly than an average of 75 days statewide, a key performance measurement (KPM) target set by the 2013 legislative session. With data and experience a KPM will be developed for marijuana licensing.
- **Improve licensing customer service**
  Continue migrating existing license processing systems to contemporary, web-based software platforms. Improve license processing efficiency and customer service through process reengineering and automation.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accord with ORS Chapters 471, 473, and 475B.

## E. PROPOSED LEGISLATIVE CHANGES

**Agency Concept 84500-001 – Fees for Alcohol Licensing**
The generation of revenue in Oregon from alcohol is heavily weighted toward the markup for distilled spirits. Oregon is one of the highest states in the country generating revenue from spirits and one of the lowest in the country in generating revenue from license fees. Revenue from distilled spirits subsidize the agency's licensing, renewal and enforcement activities for over 15,000 alcohol licensees and 9,000 special event licenses. Doubling annual license fees and adding a fee for the temporary annual use of license will provide additional funding to provide services to licensees including online licensing and renewal systems, training, education, enforcement, increased communication and IT services to help licensees comply with the law.

**Agency Concept 84500-002 – Redemption Center Fee**
The refund value for empty beverage containers increased from 5 cents to 10 cents on April 1, 2017 and the types of beverages included in the Bottle Bill greatly expanded on January 1, 2018. These changes increased interest in redeeming containers, which in turn created a major increase in the number of questions and complaints from impacted stores and the public about the Bottle Bill, which are currently fielded by the agency's one Bottle Bill Compliance Specialist. This leaves little time for performance of higher level compliance and oversight functions. A $3,000 annual registration fee for each redemption center will support the funding of an AS1 position to assist the Bottle Bill Compliance Specialist in performing duties related to Bottle Bill public information and compliance.

**Agency Concept 84500-003 – Marijuana Fee Conditional Letter of Authority**
The OLCC's recreational marijuana program is funded solely by licensing and renewal fees however renewal fees are not realized until the application has been approved. In situations where an existing business applies for renewal shortly before the renewal date or has a particularly complicated renewal application due to changes in business structure or operations, the applicant, agency and local government need additional time after the renewal date to process the application. In these cases the agency issues a Conditional Letter of Authority to allow the business to continue to operate. The agency collects the license fee, however, it cannot expend those funds unless and until the license is approved, even though the licensee is operating and OLCC staff are doing the work. This has created a problem because some licensees are seemingly "gaming" the system, requesting a Conditional Letter of Authority, and then withdrawing their renewal application after harvest and profits are made. In addition, if an agency proposes to deny a license, the licensee can continue to operate without paying a fee. Under this proposal, if a licensee uses their license privileges under a Conditional Letter of Authority (i.e. into a new license year while a renewal is pending), and then later want to surrender their license, the license fee is not refundable.

**Agency Concept 84500-004 – License Server Fee**
The statute requires accounting for the $2.60 annual server permit fees from licensees and $13 server permit fee from server permittees is cumbersome and can be streamlined as the costs of the server permit program and alcohol education program are covered by allowed fees under ORS 471.375(2) and other agency alcohol revenues. The agency proposes eliminating the fees outlined in ORS 471.542 (6) and the required accounting in ORS 471.375 (2).

**Agency Concept 84500-05 – Electronic Verification of ID**
Lack of banking access is a significant problem facing Oregon's legal marijuana industry. One of the primary concerns is ensuring that marijuana businesses are adhering to state law and federal policy. For example, guidance from the Federal Financial Crime Enforcement Network states that financial institutions that service MRBs must ensure that they are not selling to minors. In addition, Oregon law imposes daily purchase and possession limits on marijuana transactions. These limitations are easily circumvented by the practice of "smurfing" whereby a consumer makes multiple purchases from multiple retailers in the same day or the practice of "looping" whereby a consumer makes multiple purchases from a single retailer in the same day. Electronic methods of preventing sales to minors by validating ID and the prevention of "smurfing" and "looping" are available; however, the use of electronic methods to provide this service may be prohibited under Oregon law. Oregon law provides that "A marijuana retailer may not transfer any information that may be used to identify a consumer to any other person." For banks, these types of electronic solutions represent a critical layer of assurance that MRBs are fulfilling their legal obligations and are participating in a process that makes legal marijuana businesses more attractive as potential customers. Amending Section 47B.220 (4) to clarify when and how electronic vendors can be used for age verification and to prevent "smurfing" and "looping" would provide clarity and direction to marijuana businesses in the use of electronic verification equipment and software, and potentially increase the ability of marijuana businesses to secure banking services.

# BUDGET NARRATIVE

## LICENSE SERVICES DIVISION – SUBPROGRAM 45

**2019-21 OLCC Budget**

## A. PURPOSE, ACTIVITIES & ISSUES

The License Services Division promotes the safe and responsible operation of businesses within Oregon's hospitality and craft wine, beer, and spirits industries as well as the new recreational marijuana industry. The alcohol businesses that make up these industries are both small and large, new and established, and all are a vital part of the state's economy and identity. All of the recreational marijuana businesses are new; however they vary in size, expertise, and capital investment. Oversight of capital investment is complex as this industry does not have the ability to bank funds or acquire traditional business loans, and reviews of investments and ownerships are not standard. A significant number of marijuana licensees are changing their organizational structures, operational plans, and physical structures to adapt to changing market conditions, others are surrendering their license, while still others are submitting applications. The License Services Division regulates these industries by investigating and issuing license applications and renewals, alcohol service permits and marijuana worker permits. Through its actions, License Services ensures that public safety, economic development, stewardship and livability concerns are addressed.

Management of the program, including the field offices of Bend, Salem, Eugene and Medford include both alcohol and marijuana staff and are all supervised directly out of the Portland Headquarters to ensure consistency in the quality and standards of review. This is a recent management change allowing for flexibility to manage many new employees' growth and expertise, to utilize statewide electronic workload assignment between regions, and streamline licensing through one supervisory chain. This process includes the opportunity to advance first time regulatory issues in marijuana and alcohol licensing to a Licensing Policy Committee (LPC) made up of staff and management with different areas of expertise. This committee considers interpretations of the application of its rules to specific licensing issues and considers requests for waivers. OLCC's regulatory Inspectors assist the licensing process by completing on premise license inspections for licensure and renewals. Integration of the management for the shared aspects of marijuana and alcohol licensing and compliance creates agency-wide consistency and efficiency. The Marijuana Program pays for its proportional share of the cost for this service.

Licensing is a frontline service for ensuring public safety. Conducting criminal background checks and review of complex financial interests, and business management and ownership are primary public safety concerns in the issuance of licenses. Recent enforcement intelligence suggest that the OLCC will need stronger rules, penalties and flexibility to consider immediate suspensions in operations that inappropriately switch out the designated licensee in charge of the business – public safety is monitoring these issues and considering actions it might take in license and renewals to place greater accountability on prospective licensees to assure they remain in charge of their issued licenses. Through annual licensing requirements for the agency's primary licenses, the OLCC ensures operational accountability and consistent compliance.

The License Services Division issues and renews licenses and service permits and manages the license personnel for the recreational marijuana program; interprets and communicates policy regarding licensing and service permits; provides technical assistance, consultation and guidance for licensees, permittees, applicants, and field staff; processes and reviews completed license and service permit applications; processes and reviews compliance actions; and maintains files and records on all licenses and service permits. Division staff communicates and collaborates regularly with individual businesses, alcohol beverage industry representatives, marijuana industry representatives, local governments, neighborhood associations, and moderation groups to ensure understanding and compliance with liquor and recreational marijuana laws, and to promote awareness of general public policy issues, as well as those issues arising from specific licensing matters.

The division is organized into two sections:

**The Metro Licensing Unit** is stationed in Portland and handles approximately 52 percent of the statewide alcohol license and 43 percent of the statewide recreational marijuana license investigation workload. Technical and administrative staffs are responsible for distributing license applications, and providing guidance and information on liquor licensing regulations to applicants, local governments and the public. The staff investigates applications for annual and temporary liquor licenses. The unit generally serves licensees in Multnomah, Clackamas, Washington, Clatsop, Hood River, Wasco and Columbia counties, but frequently assists other field office investigations around the state. They are responsible for presenting policy matters to decision makers. They also develop and maintain the license manual.

**The License Process Unit** oversees liquor and recreational marijuana licenses and service permit and marijuana worker permit application workflow and records. The unit is the conduit between the license investigator, compliance inspector and licensing data systems. It processes initial applications and issues licenses and service permit renewals statewide; maintains the OLCC's official license and service permit files; responds to public records requests, and provides clerical support to the License Services Division staff. Unlike in field offices outside of the Portland-Metro area, this unit's staff processes licenses for alcohol businesses owned out-of-state that now require Oregon licenses: licenses such as direct shippers, certificates of approval (CERAs) and wine self-distributors because of new legislation in 2008.

Staff maintain records for alcohol servers and marijuana worker permits holders, approximately 17,000 alcohol licensees, including about 3,848 headquartered out-of-state, and more than 165,000 alcohol service permittees. In 2017-19, the staff expects to maintain records on approximately 2,300 marijuana licensees and 31,000 marijuana worker permittees.

The number of licensed alcohol businesses regulated by the OLCC has steadily increased since 2000. In the past decade, the number of Oregon liquor licenses and alcohol service permits steadily. The complexity of licensing work has also increased during the last decade, as businesses pursue new operational models not contemplated when the agency's regulatory and licensing framework was first conceived. For example the sale of beer and wine growlers, or take home containers of alcohol are a great example of new industry innovation. Many of these complexities focus on creating new capability and innovation desired by Oregon's own craft producers that are interested in maximizing their ability to grow business income in Oregon and internationally; the OLCC plays a leading role in facilitating policies and regulations that advance the growth of Oregon's alcohol producing pioneers. Out-of-state licenses comprise 22 percent of the new licenses processed annually, compared to a decade ago when it was only five percent. As the economic recovery continues, the agency sees a trend of even more license applications and renewals.

The recreational marijuana industry has flourished in Oregon. The OLCC licenses businesses to function as laboratories, processors, producers, retailers, wholesalers and researchers within the Oregon market. The demand for recreational marijuana licenses has far exceeded predictions. OLCC has received 4,423 applications and has 1,964 currently licensed and currently operating. On June 1, 2018 OLCC announced they would continue to process new applications submitted through June 15, 2018, however, the processing of applications received after that date would be completed only after renewals and license applications already received had been completed. During that 15 day window, OLCC received an additional 1,001 new license applications. Many factors such as consumer demand within Oregon, product over or under production, and statutory changes are expected to impact pricing and business profitability. To adapt, businesses will open, close, and reorganize, all requiring licensing services.

The complexity of the recreational marijuana licensing process and subsequent workload continues to increase. The recreational marijuana industry has moved from mostly small family type operations into a myriad of structures including full complete corporate structures. In a recent application, a corporate entity had 122 people involved in the business structure with an initial investment of over $55 million dollars. These types of license applications require a lengthy investigation that drain OLCC's resources. As the industry continues to evolve, business structures are constantly changing with new investments and principal partnership changes. This has made the task of a license renewal as difficult and as lengthy as the initial licensure.

The License Services Division continues to pursue streamlining efforts and the use of technology to provide more and higher quality service to its stakeholders. However, the agency is at a crossroads as it pertains to technology. A substantial investment is needed into information technology to tie all of the licensing and compliance systems into a fully integrated system. The explosion of recreational marijuana has expedited the need for this vision to be achieved in a timely manner. Even with advances in technology, the sheer volume of work in the license services division will require significant investments in additional staffing. This is a critically important discussion for the OLCC. The agency's current licensing system was procured through the statewide contract with NIC USA. This system was conceived before three major legislative changes in marijuana policy and prior to the development of agency rules to implement state policy. This contractor provided exactly what the state and OLCC needed to meet the rapid

timeline for the agency to accept marijuana license applications. The system has adapted to many of the priorities the agency faced over two-and-half years of implementation and rapid customization. This work allowed the OLCC to license and establish a full marketplace of licensees that have generated over $200 million in tax revenue for the state – a good value and achievement for the agency and NIC USA. However, the programing has not been able to match the complexities of managing license renewals – for reasons articulated, renewals are generating a staggering and substantial review of work and much of this process is being accomplished manually. In fact the legislature provided funding to the agency to support some of the additional workload during the 2018 short session. If progress cannot be made on servicing renewals, the OLCC has the option to opt out of the contract in November of 2018. The agency is preparing for this potential outcome and if it were to happen, the OLCC would still rely on the existing system for many months. In June of 2018 the OLCC was already exploring options to advance an RFP for a next generation licensing system. The OLCC is currently exploring every alternative to advance a procurement and innovative funding proposal.

The Licenses Services Division has seen a substantial increase in the requests for special liquor licensing. In addition to special licenses, OLCC has also had an increase in requests for alcohol service permits. With the addition of recreational marijuana worker permits OLCC has issued close to 31,000 worker permits. Even with implementing technology to assist in the application process, calls for questions and assistance are at an all-time high.

This Division is responsible for: processing and renewing license applications, investigating applications temporary licenses, processing and renewing server and worker permit applications, and providing guidance and information on liquor and recreational marijuana licensing regulations to applicants, local governments and the public,

## B. BACKGROUND

The License Services Division administers relevant parts of the Liquor Control Act ORS Ch. 471, the Wine, Cider and Malt Beverage Privilege Tax ORS Ch. 473, Administrative Procedures Act ORS Ch. 183, Reuse and Recycling ORS Ch. 459A, Trade Practices Relating to Malt Beverages ORS Ch. 474, Department of Justice OAR 137, Ch. 1 and 3, ORS Chapter 475B, and the Liquor Control Administrative Rules OAR Chapter 845.

## C. EXPECTED RESULTS

In the 2019-21 biennium, the division expects the following results:

- Improve production through streamlining procedures and processes; evaluate the licensing and renewal process in its entirety and have in place an automated licensing system that matches changes in statute, policy and practices

- Maximize the allocation of licensing resources as it learns more about the evolution of the recreational marijuana business in Oregon
- Continue to manage increased workloads while continuing to focus on high quality customer service
- Issue licenses efficiently to enable Oregon businesses to open and operate safely and responsibly as soon as possible
- Issue alcohol licenses more quickly than the average of (75 days) statewide, a key performance measurement (KPM) target in in the 2013 legislative session
- Improve customer service and support economic and job development by enabling applicants to apply for all licensing types through automated systems that improve the efficiency of our internal staff

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent Other Funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471, 473, and 475B.

## E. PROPOSED LEGISLATIVE CHANGES

**Agency Concept 84500-001 – Fees for Alcohol Licensing**
The generation of revenue in Oregon from alcohol is heavily weighted toward the markup for distilled spirits. Oregon is one of the highest states in the country generating revenue from spirits and one of the lowest in the country in generating revenue from license fees. Revenue from distilled spirits subsidize the agency's licensing, renewal and enforcement activities for over 15,000 alcohol licensees and 9,000 special event licenses. Doubling annual license fees and adding a fee for the temporary annual use of license will provide additional funding to provide services to licensees including online licensing and renewal systems, training, education, enforcement, increased communication and IT services to help licensees comply with the law.

**Agency Concept 84500-003 – Marijuana Fee Conditional Use of Authority**
The OLCC's recreational marijuana program is funded solely by licensing and renewal fees however renewal fees are not realized until the application has been approved. In situations where an existing business applies for renewal shortly before the renewal date or has a particularly complicated renewal application due to changes in business structure or operations, the applicant, agency and local government need additional time after the renewal date to process the application. In these cases the agency issues a Conditional Letter of Authority to allow the business to continue to operate. The agency collects the license fee, however, it cannot expend those funds unless and until the license is approved, even though the licensee is operating and OLCC staff are doing the work. This has created a problem because some licensees are seemingly "gaming" the system, requesting a Conditional Letter

of Authority, and then withdrawing their renewal application after harvest and profits are made. In addition, if an agency proposes to deny a license, the licensee can continue to operate without paying a fee. Under this proposal, if a licensee uses their license privileges under a Conditional Letter of Authority (i.e. into a new license year while a renewal is pending), and then later want to surrender their license, the license fee is not refundable.

**Agency Concept 84500-004 – License Server Fee**

The statute requires accounting for the $2.60 annual server permit fees from licensees and $13 server permit fee from server permittees is cumbersome and can be streamlined as the costs of the server permit program and alcohol education program are covered by allowed fees under ORS 471.375(2) and other agency alcohol revenues. The agency proposes eliminating the fees outlined in ORS 471.542 (6) and the required accounting in ORS 471.375 (2).

# BUDGET NARRATIVE

## ALCOHOL (& MARIJUANA) EDUCATION DIVISION – SUBPROGRAM 46

**2019-21 OLCC Budget**

## A. PURPOSE, ACTIVITIES & ISSUES

*Purpose*

The Alcohol and Marijuana Education Division works to decrease alcohol and marijuana sales to minors and visibly intoxicated persons, and to keep intoxicated drivers off our roads by providing educational opportunities and resources. The misuse or abuse of alcohol and marijuana can lead to serious consequences, including death. Oregon's server education program was the first such mandated alcohol education in the United States. This program is a model for the marijuana programs in many other states, and many states look to OLCC for assistance and guidance in developing their own programs. The Alcohol and Marijuana Education Division's staff maintain the quality and integrity of Oregon's program.

The Division consists of two compliance specialists and one support staff. Among other responsibilities, staff monitor and enforce the standards of the statewide Alcohol Server Education (ASE) Program and the Marijuana Worker Permit Program. The proactive training outlined in the model server education curriculum is the key to responsible alcohol service. It is designed to give alcohol servers and their managers the knowledge and skills needed to take serious steps to minimize the problems caused by alcohol abuse. Instructors teach topics such as effective alcohol server intervention techniques, checking ID, preventing sales to minors and visibly intoxicated patrons, drunk driving laws, liquor liability, the effects of alcohol on the body, and marketing for safe and responsible alcohol consumption. Division staff, with advice from an Alcohol Server Education Advisory Committee (whose membership is legislatively mandated in ORS 471.547), determines the course curriculum, teaching and training techniques, quality assurance plan, and test questions. The expertise of the alcohol server education program has transferred into OLCC's new and similar responsibilities for marijuana permitees. The Marijuana Worker Permit Program became operational in July 2016. Applicants take an online course focused on marijuana laws, rules, regulations, ID checking, preventing minor access and visibly intoxicated persons from access to marijuana. Online Alcohol Permit Applications became operational in 2018. This Program will be further refined as additional educational needs are identified.

*Activities*

Division staff monitors about 1,100 in-person alcohol server education classes taught statewide, as well as the various approved online courses. More than 34,000 alcohol servers go through a course each year. Division staff oversees the training and testing of the servers. Staff evaluates instructors, update curriculum and tests, and certify private online and classroom providers and instructors to ensure they are teaching according to requirements laid out in statute and administrative rule. They assist providers in maintaining compliance with administrative rules and statutes; in improving the quality of their instruction; provide training tools; grade and record tests; provide sign interpreters for the hearing impaired; and provide course materials and tests for classes taught in

Chinese and Spanish. Staff investigates complaints of substandard performance and violations of program rules and takes the necessary compliance actions. In addition, staff develops class calendars and serves as a resource in directing prospective students to the location of classes throughout Oregon. Staff maintains and collects statistics and inform instructors on changes in the law, policies, or items for class instruction. Division staff developed a marijuana worker permit online curriculum modeled after the successful alcohol program and is expected to monitor up to 31,000 marijuana worker permit holders in the 2019-21 biennium.

Staff has focused their efforts to meet the priority of streamlining governmental processes on behalf of the public. In 2007, the OLCC amended its rules to allow providers to offer the initial alcohol server education class online, in addition to the online renewal class. Division staff, in consultation with the Alcohol Server Education Advisory Committee, developed standards for approving the online courses. As of April 2013, the Alcohol Education Program staff has approved nine online server education renewal classes and nine online server education initial classes, supplementing the existing in-classroom providers and instructor's class offerings. One online proposal is pending. All of the marijuana worker permit education takes place online through the agency's website.

The Division also administers an alcohol clerk training course, the seller-training course and the Responsible Vendor Program.

- The clerk-training course is mandatory for any off-premises sales license employee or liquor store employee who sells alcohol to a minor and who will be retained by his or her employer. To continue to sell alcohol, the clerk must take this training in responsible alcohol sales. Division staff approve curriculum and course providers. Staff notifies licensees if their clerks need to take training, then track clerks' progress through the course.

- The voluntary seller-training course was established by the 2009 Legislature and implemented in 2010. House Bill 3343 created a new provision for employees of a liquor licensee or liquor store agent who sell or serve alcohol to a minor. These employees may receive a reduced criminal penalty (a violation instead of a misdemeanor for the first two convictions), if they voluntarily complete an OLCC-approved training program such as this, prior to their court appearance. Division staff approves the curriculum and course providers for the seller-training course. SB 1546 passed during the 2014 legislative session, establishing reduced penalties for clerks who sell to a minor; their first two convictions are considered only violations, regardless of whether they have completed any prior OLCC-approved training.

- The Responsible Vendor Program is a voluntary program, which rewards retail licensees who adopt best practices on alcohol sales and provide ongoing training to their employees. Licensees receive reduced sanctions if an employee does sell alcohol to a minor, as long as the licensee has all of the Responsible Vendor Program requirements in place at the time of the violation. Division staff review and approve all applications, and provide assistance to licensees in understanding and meeting program requirements. In 2008, staff revised Responsible Vendor Program materials into a plain language format for licensees' ease of reading and understanding of the program's requirements. In 2008, the Responsible Vendor Program won a Best Practices

Award from the National Conference of State Liquor Administrators (NCSLA). The program won the Social Responsibility Award for programs that are "innovative, pioneering, and deemed to be of value to other states and the regulated industry."

Division staff also designs and develop special educational projects, which historically has promoted the goals of alcohol education. With the addition of marijuana responsibilities, the program provides marijuana education as well. The marijuana program pays for its proportional share of the cost.

*Issues*
In 2016, SB 1598 expanded the marijuana worker permit program to include all workers in recreational marijuana licensed growers, processors, wholesalers, and retailers. An online education and application system was created and became operation in July 2016. In 2018-19, the Division expects up to 31,000 worker permits to be granted.

This Division is responsible for: monitoring and enforcing the standards of the statewide Alcohol Servicer Education (ASE) Program. This includes certifying private online and classroom providers and instructors, maintaining a master training calendar, providing curriculum and training tools, and investigating complaints of substandard performance, as well as providing clerk training courses, voluntary seller courses and maintaining the Responsible Vendor Program as well as the Marijuana Worker Permit Program.

## B. BACKGROUND

The Alcohol Education Program regulates the providers and instructors who teach the alcohol education course mandated by statute (ORS 471.542) for all licensees and servers of on-premises liquor licenses. The division also monitors the clerk-training course (ORS 471.341), which is mandatory for clerks who have sold alcohol to a minor, it oversees the Responsible Vendor Program (ORS 471.344), which provides incentives to licensees who adopt best practices and require ongoing training for employees, and the Marijuana Worker Permit Program (ORS 475B.215). The staff also works with the OLCC license investigators and inspectors and their support staff to maintain and update their training and policy and procedures manuals as necessary.

## C. EXPECTED RESULTS

The Alcohol Education Division's goal is to maintain an excellent level of service. Staff ensures quality and consistency in both development and delivery of the educational program for both the alcohol and marijuana programs. Staff expects to evaluate 100% of the 28 alcohol server education instructors each year and provide meaningful feedback to them and the 13 certified course

providers. Staff expects to continue approving more alcohol online courses and continue to monitor already approved courses. Staff enforces existing rules and standards and takes compliance action when necessary. Staff will continue to explore ways to encourage more participation by retail alcohol licensees in the free and voluntary Responsible Vendor Program. Staff provides guidance and assistance to licensees and the general public on responsible alcohol and marijuana sales and consumption, and this technical and educational component will continue for the biennium of 2017-19.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100% Other Funded, and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471, 473 and 475B.

## E. PROPOSED LEGISLATIVE CHANGES

There are no proposed legislative changes.

# BUDGET NARRATIVE

## PUBLIC SAFETY DIVISION– SUBPROGRAM 47

**2019-21 OLCC Budget**

### A. PURPOSE, ACTIVITIES & ISSUES

To promote the public safety, the Public Safety Division ensures liquor and recreational marijuana licensed businesses statewide comply with all applicable laws. The Division does this by providing education and training on liquor and recreational marijuana laws to licensees, conducting in-depth investigations, enforcing special events (temporary sales permits), and enforcing liquor and marijuana law through administrative sanctions. Division staff in the field offices also assist in the licensing process by doing on site licensing inspections prior to licensure and at renewal. The Division builds partnerships with local governing bodies, citizen groups, neighborhood associations, local law enforcement, federal law enforcement, schools and universities, and moderation groups. The Division's proactive relationship with the alcohol beverage and marijuana industries helps to ensure Industry's understanding and compliance with liquor and marijuana laws. The Division collaborates with communities statewide to maintain neighborhood livability and safeguard the marketplace and economy.

Public Safety Division field operational staff implements regulatory operations, processes and procedures and OLCC policies. The Division's compliance inspectors investigate complaints of liquor and recreational marijuana law violations; referrals by police agencies, reports or complaints from the public; industry members and other agencies; and violations encountered during OLCC staff's observations. Inspectors' help licensees identify compliance problems and offer education. If these efforts fail and violations continue, staff may initiate administrative sanctions and/or issue criminal citations. If the public safety is at risk, the agency can order an immediate license suspension.

License investigators investigate applications for one-year liquor and recreational marijuana licenses and ensure that OLCC issues licenses only to qualified applicants. Investigators act on requests for changes in business locations, license privileges, type of operation and ownership. These staff also investigates license renewal applications.

The Division has five regional work units reporting to the Public Safety Division director. These units include the metro enforcement unit headquartered in the Milwaukie office and four others units located throughout the state. As OLCC grows the agency is beginning to segregate the regional managers in its larger offices into program areas. OLCC currently has one regional manager in the metro enforcement unit that is dedicated to alcohol and one that is dedicated to recreational marijuana. During the 2017-2019 biennium OLCC is in the process of completing the hiring and training of employees for the OMMP medical tracking program. The OMMP medical marijuana inspection is a state-wide program and is managed by a manager out of the Milwaukie

Office. Regulatory Specialists are assigned to the five regional units as well as the metro enforcement unit is all three program areas, alcohol, recreational marijuana and the newly forming medical marijuana program.

**The five regional units are:**

1. Metro Enforcement Unit, headquartered at the Milwaukie office
2. Salem Region, headquartered in Salem with field offices in Warrenton and Corvallis
3. Eugene Region headquartered in Eugene with field offices in Newport and Roseburg
4. Medford Region, headquartered in Medford with field offices in Klamath Falls and Coos Bay
5. Bend Region, headquartered in Bend with a field office in Pendleton.

Regular staff activities include making on-site observations; educating licensees; issuing citations; doing compliance work with licensees in their districts; responding to alcohol parties involving minors; working with local governments, neighborhoods, and law enforcement; and conducting license investigations. In addition to these activities, field operations staffs are using the following proactive programs for educating new licensees and dealing with minors and impaired drivers ongoing:

First Call Program To provide new retail licensees with the resources to be successful by complying with liquor laws, division staff visits newly licensed premises. They also visit licensees who have restrictions placed on their newly issued licenses, and when a business's ownership changes. Staff visit within 90 days to provide education and information on all liquor laws, review any restrictions to ensure the licensee understands them, and helps solve any compliance issues without penalty the licensee for non-priority violations during this 90-day start-up period. In the Marijuana Program, recreational marijuana applicants are visited prior to the issuance of their license.

Minor Intervention Program The division focuses enforcement resources on the prevention of underage drinking. Staff uses a variety of techniques, which are constantly under review and further development. The Division balances enforcement efforts between those that target alcohol and marijuana retailers, such as the minor decoy program; those that are undertaken in cooperation with the industry, such as high-priority identification checking; and those that focus on the minors, such as working with communities and citing minors who purchase and/or consume alcohol and marijuana. Minor intervention programs include minor decoy, high-priority identification checking, false ID and providing education to licensees and their staff on checking ID.

DUII Report and Special Investigation Unit The DUII Report Program seeks to reduce the sale or service of alcohol to visibly intoxicated persons. The program identifies licensed outlets that have a high incidence of DUII reports and follows-up with notification, education, and enforcement. It also has implemented a Statewide Investigation Unit that specializes in

undercover work to detect over service or minor access issues. These programs play an important role in making Oregon's highways safer and reducing unlawful activity.

Saturation Patrols This program conducts compliance checks in a geographic area with a number of different teams. Sometimes, for patrols of liquor licenses, it teams up with local law enforcement to conduct walk-throughs of licensed alcohol businesses to check for compliance. This allows the OLCC and local law enforcement to visit many more liquor licenses than could be conducted by one or two inspectors and provides high visibility for the industry and their patrons. The OLCC also conducts saturation patrols for marijuana licenses but these teams are comprised of only OLCC Inspectors who may be brought to together from statewide offices to a region of operations, or to focus on operations carried out by a regional office in a local community. A good example of this strategy is Operation "Good Harvest" scheduled to be carried out in the Fall of 2018. This operation will focus saturation patrols on the outdoor marijuana harvest, primarily in Southern Oregon. To facilitate this focused effort to deter and detect diversion, the Commission adopted a rule that requires outdoor producers of recreational marijuana to place a notification to harvest in the Cannabis Tracking System (CTS - METRC). OLCC has continued to learn through enforcement efforts and informant information that diversion can occur after harvest and prior to the entry of wet marijuana crop weight required to be entered into METRC. This notification allows OLCC regulatory specialists to inspect producer licenses near harvest dates to gain voluntary compliance and detect illegally diverted recreational marijuana. As a force multiplier, the agency also informed licenses that it may make selected requests for videos of harvest operations at a location not visited during the patrol.

Data Driven Enforcement Data driven law enforcement is a common practice used by police departments to identify trends and incidents based upon relevant data that can be used to lower crime rates. OLCC uses the same philosophy, using data to identify points of diversion or non-compliance through data analysis of the Cannabis Tracking System. OLCC has gained experience identifying these data points through investigations, speaking with law enforcement and members of the recreational marijuana industry. OLCC will employ data driven compliance actions to maintain the integrity of the recreational marijuana market.

The Public Safety Division also conducts classes and training at the DPSST, the Police Academy, Oregon universities, colleges and schools, tribal governments and for organizations such as MADD. It has been working more proactively with local communities to tailor regulatory compliance plans to their needs and develop community-based solutions.

***Enforcement Challenges***

Alcohol continues to be the most widely used legal drug by teens. According to the 2017 Oregon Healthy Teen Survey administered by the Oregon Health Authority it is the most widely used substance among American youth. The survey cites a significant negative impact of alcohol use for youth including potential lifetime dependency, involvement in alcohol-related motor vehicle crashes,

personal injury, physical fights and potential lasting brain impairment. In Oregon during 2015, 12 percent of 8th graders and 29 percent of 11th graders surveyed had drunk alcohol on one or more occasions in the past 30 days. In 2018 those percentages fell slightly to 10.3% of 8th graders and 26.9% of 11th graders. Similarly, students in the 2017 Healthy Teen Survey were asked about their marijuana and other drug use. 6.7% of 8th graders and 20.9 % of 11th graders reported use on one or more occasions in the past 30 days.

The OLCC plays an important role in reducing the number of intoxicated drivers on the road by educating servers, worker permit holders, and licensees and enforcing Oregon's laws relating to the sale of marijuana or service of alcoholic beverages to visibly intoxicated persons.

The increase in competition for market share between the beer, wine and spirits industries has brought about aggressive industry marketing campaigns and promotion practices – many of which target minors and may not be compliant with state laws and rules. The OLCC is likely to face similar challenges with the developing marijuana industry. Because of this, OLCC has an increased need to continue to monitor alcohol and marijuana advertising.

Resource constraints have limited the number of minor decoy operations to about 1,700 per year or about 13% of all license premises. Past policy and practice for the enforcement division was to "test" 20% of the licensed premises in any given year with a minor decoy operation or each premises in the state would be visited every five years. Resource constraints in Public Safety have begun to impact Key Performance Measures. The statewide average for alcohol minor decoy compliance (percent of operations that did not result in a sale) reached a high of 84% in 2013 but went down to 81% in 2015. The rate of successful minor decoy operations at alcohol licensees is lower than at marijuana licensees. The agency will take steps in 2019-21 to address this discrepancy and improve overall compliance rates. OLCC started minor decoy operations in marijuana retail stores in December 2017. Minor decoy operations were one of the first proactive compliance actions the agency conducted at recreationally licensed marijuana retailers. Due to the concerning amount of sales to state sanctioned minor decoys, in January 2018 the Commission escalated the penalty schedule for marijuana sale to a minor (OAR 845-025-8590). After the first couple of visits, the word getting out in the industry, and the increase in penalties, the sales rate decreased to 10% with a successful no sale rate of 90%. Bend has visited all but one of their licensed retailers and has maintained a 100% no sale rate.

In 2019-21 the Oregon liquor industry is expected to continue its steady growth. The Oregon recreational marijuana industry has blossomed in Oregon. As of July 15, 2018 OLCC had 4,422 marijuana license applications; 1,986 licenses were approved leaving 2,436 to be processed. The agency currently has 31,000 marijuana worker permits. On June 1, 2018, OLCC announced a slowing of the marijuana application process and an additional 1,001 applications for licensure were received prior to June 15, 2018 deadline.

Existing marijuana businesses in Oregon will continue to grow and evolve. The recreational marijuana industry in Oregon has created a frenzy of investment and business opportunities. As the industry evolves, it is clear that licensing and renewals in the recreational marijuana market are more complex than alcohol and often takes more time to process. A recent example of this is an application for several types of recreational marijuana licenses involved a business structure that included 122 individuals who had invested of over $55 million dollars. Each one of these individuals had invested at least $50,000 which requires a background investigation.

In almost all of the license renewals for recreational marijuana received at OLCC there is a change in business structure, additional license or endorsement requests, or change in operating procedures that need to be investigated before a renewal can be issued. The industry continues to evolve with multiple complex changes in business structure and operations; this continues to be the norm instead of the exception.

During this biennium the OLCC has begun moving from a licensing agency into a licensing and compliance agency. The OLCC had an "all hands of deck" approach to licensing to bring marijuana production from the shadows of society into a well-regulated established retail market structure. This has not occurred without challenges. The OLCC has continued to struggle to meet the demands of licensing and renewals at a pace that is expected from our customers. The renewal process demands just as much employee time as original applications due to the complexity. OLCC's regulatory specialists are involved in the licensing process as they respond to license locations to make sure that the licensing site meets standards and rules which occurs on almost every application taking time away from other compliance activities.

OLCC's compliance work to date has been mostly centered on industry complaint driven investigations, retail inspections and minor decoy operations. In mid-August the program will be adding producer, wholesaler, processor, and lab inspections to its compliance program. As the agency continues to evaluate the data in the Cannabis Tracking System, the agency will add a significant component to its compliance work. This will be data driven enforcement from information gleaned from the Cannabis Tracking System. The agency will continue to learn from its law enforcement partners, other regulated states and its own investigations which violations in the system have led to diversion. The agency will focus its compliance efforts on these violations to prevent diversion of marijuana to the illegal market.

## B. BACKGROUND

The Division ensures compliance with liquor and marijuana laws (ORS Chapters 471, 473, 475B, OAR Chapter 845) by OLCC licensees, contract liquor agents, servers, and marijuana worker permitees. The Division also enforces certain provisions of the Beverage Container Act (Bottle Bill) (ORS 459A.700-.740).

## C. EXPECTED RESULTS

The Public Safety Division expects the following results in 2015-17:

- **Decrease the availability of alcohol to minors through licensed premises**
  Attain an 82% compliance rate for 1,800 minor decoy operations run annually, a key performance measure (KPM) target established by the 2013 legislative session.
- **Improve liquor law compliance as shown by a limited number of repeat violators**
  Limit to 12%the number of licensed businesses who deserve receiving a second violation within two years of the first, a key performance measurement (KPM) target established by the 2013 legislative session.
- **Increase contact with licensees and service permittees**
  Visit at least 25% of all licensed premises during the biennium; check for service permits and inform licensees about other compliance requirements.
- **Balance enforcement**
  Maintain existing minor intervention programs: minor decoy, college/contacts, high-priority ID checking, and false ID investigations. Of these programs, spend 60% of enforcement activities on minor decoy operations and 40 percent on the other programs.

The Public Safety Division also expects to continue to:

- **Issue liquor licenses only to qualified people**. Ensure that applicants for licenses meet the standards set out in state law and administrative rules, by thoroughly reviewing an applicant's criminal record, financial resources, prior OLCC record, identify any unauthorized interests in the business, and ensure that operational plans and proposed locations don't implicate potential problems.
- **Protect public safety by ensuring compliance with liquor and recreational marijuana laws and rules**. Ensure that liquor and recreational marijuana licensees, alcohol servers, and marijuana worker permittees comply with liquor and marijuana laws.
- **Educate licensees as the first strategy** to gain voluntary compliance with liquor and recreational marijuana laws
- **Investigate complaints** from the public, local, state and federal law enforcement and industry members
- **Direct compliances staff resources to priority violations** to ensure that licensed establishments do not threaten neighborhood livability and can be good employers and contributors to the community's economic foundation.
- **Complete administrative procedures** to deal with violations to ensure voluntary compliance, using citations and criminal penalties as a last resort

- **Enforce liquor laws in a timely and effective manner.** Complete most enforcement investigations within 30 days. Focus on priority violations. Monitor DUII reports and intervene in a timely manner.
- **Enforce recreational marijuana laws focusing on violations that lead to diversion** to the illegal market and that protect the integrity of the legal recreational market. This can be enhanced through the use of data driven enforcement and a routine standardized inspection process.
- **Serve as a liaison.** Be responsive to industry groups, neighborhood organizations, local governments, and citizens to promote open communication, mutual understanding, and participation in OLCC processes.
- **Collaborate with law enforcement**
    - Increase participation with law enforcement in identifying organized crime and human trafficking/sexual exploitation in liquor-licensed establishments.
    - Increase in developing tailored regulatory plans for communities' needs, customizing community based solutions
    - Continue to attend the Sheriff's/Chief's conferences including presenting information on OLCC alcohol, recreational marijuana, and OMMP medical marijuana tracking programs.
    - Continue to have an open line of communication between OLCC and the United States Attorney's Office in Oregon.
    - Continue to operate a law enforcement only telephone hotline to assist state, local, and federal law enforcement identify illegal operations

- **Provide training for staff**:
    - Ensure OLCC staff are trained and proficient in liquor and recreational marijuana laws, medical marijuana laws, policies, procedures, ethics, and cultural sensitivity. Ensure staff maintains consistent work practices to maintain fair and impartial compliance efforts throughout the State of Oregon.
    - Ensure OLCC Regulatory Specialists meet statutory requirements for their "peace officer" status. OLCC Regulatory Specialists will continue to be required to attend a four week academy at the Department of Public Safety Standards and Training (DPSST) within a year from their hire date and attend mandatory training.
    - Conduct bi-monthly Regulatory Specialists training in recreational and medical marijuana to increase our employee knowledge base.
    - Continue training licensing staff on changes in process, technology, administrative rules to increase our employee knowledge base.

- **Provide training for law enforcement.** Provide training to local law enforcement agencies on liquor and recreational marijuana laws. Develop strong partnerships with local law enforcement to enforce liquor laws.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent Other Funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471, 473 and 475B.

## E. PROPOSED LEGISLATIVE CHANGES

**Agency Concept 84500-05 – Electronic Verification of ID**

Lack of banking access is a significant problem facing Oregon's legal marijuana industry. One of the primary concerns is ensuring that marijuana businesses are adhering to state law and federal policy. For example, guidance from the Federal Financial Crime Enforcement Network states that financial institutions that service MRBs must ensure that they are not selling to minors. In addition, Oregon law imposes daily purchase and possession limits on marijuana transactions. These limitations are easily circumvented by the practice of "smurfing" whereby a consumer makes multiple purchases from multiple retailers in the same day or the practice of "looping" whereby a consumer makes multiple purchases from a single retailer in the same day. Electronic methods of preventing sales to minors by validating ID and the prevention of "smurfing" and "looping" are available; however, the use of electronic methods to provide this service may be prohibited under Oregon law. Oregon law provides that "A marijuana retailer may not transfer any information that may be used to identify a consumer to any other person." For banks, these types of electronic solutions represent a critical layer of assurance that MRBs are fulfilling their legal obligations and are participating in a process that makes legal marijuana businesses more attractive as potential customers. Amending Section 47B.220 (4) to clarify when and how electronic vendors can be used for age verification and to prevent "smurfing" and "looping" would provide clarity and direction to marijuana businesses in the use of electronic verification equipment and software, and potentially increase the ability of marijuana businesses to secure banking services.

# BUDGET NARRATIVE

## ADMINISTRATIVE POLICY AND PROCESS SERVICES DIVISION – SUBPROGRAM 55

**2019-21 OLCC Budget**

### A. PURPOSE, ACTIVITIES & ISSUES

The Administrative Policy and Process Services (AP&P) Division provides technical and policy support, and consulting services, to OLCC programs. The division assists in formulating and recommending agency policies, procedures, or practices; resolving technical issues encountered while enforcing liquor and marijuana laws, licensing or issuing permits to applicants, operating the state's Distilled Spirits Program, or responding to industry issues connected to wholesaling and manufacturing; with writing manuals; providing technical regulatory-related training to staff, and reviewing staff work in a quality assurance role.

The AP&P Division reviews and evaluates investigative reports with recommended enforcement actions or with actions involving contractual violations. AP&P staff reviews the cases for technical sufficiency. After evaluating reports, staff may issue a violation notice initiating the contested case hearing process. Staff ultimately resolves these cases via administrative hearing, settlement or withdrawal.

The division reviews licensing investigative reports for technical sufficiency. It makes recommendations to the OLCC executive director for cases where the executive director or the OLCC commissioners must make the final decisions. If the final licensing decision is negative, AP&P staff issues a notice initiating the contested case hearing process.

The division presents the OLCC's administrative violations, licensing and certain contractual violation cases at contested case hearings; an OLCC employee representative prepares and presents the contested case before the Office of Administrative Hearings. OLCC's assigned assistant Attorney General sometimes consults on the case, and in rare cases presents the case with the OLCC employee representative assisting. Case preparation involves reviewing the case for legal sufficiency, identifying witnesses and documentary evidence, responding to discovery requests, subpoenaing witnesses, participating in pre-hearing conferences, filing and responding to motions, and planning and executing the presentation of the case at hearing. The OLCC employee representative reviews the administrative law judge's proposed order, files comments as appropriate, and orally presents the comments to the liquor commissioners at their regularly scheduled meetings.

The director of AP&P reviews the hearing record and assists the OLCC commissioners in drafting and issuing final orders. If a final order is appealed, staff prepares and files the official hearing record with the Court of Appeals and tracks the progress of the appeal.

The AP&P director provides review of OLCC policies, rulemaking, and significant regulatory issues. The AP&P director provides technical leadership and support to external stakeholder groups and agency task forces. The AP&P director receives all requests for legal assistance from throughout the OLCC and, in coordination with the Attorney General's (AG) Office, answers the requests where appropriate, or routes to the AG's Office.

AP&P Division staff draft agency rules and conducts the agency's rulemaking function in accordance with the Administrative Procedures Act. This includes collaborating with various internal subject matter experts to develop rule concepts, empaneling stakeholder advisory groups, developing fiscal impact statements, conducting rulemaking hearings and gaining approval by both agency leadership and Commissioners.

The AP&P Division coordinates complex public record requests, provides technical advice on responding to such requests, and reviews the response to such requests to ensure compliance with Public Records law.

The AP&P director is part of a team responsible for the OLCC's legislative initiatives, including drafting legislative concepts, providing testimony, and assisting legislators.

The volume of rules, technical requests and reviews, and complexity of contested case hearings have increased greatly. The number of contested case prosecutions has reduced in recent years due to the focus on licensee education, but it is anticipated that this trend will change now that the Division handles marijuana licensing and compliance matters.

In in a typical AP&P staff has historically completed an average of about 15 – 20 separate rulemaking actions (with each rulemaking action possibly containing multiple rules to amend). This activity has increased significantly with the addition of marijuana regulation. For example, in 2015, AP&P staff assisted in the facilitation of 11 separate recreational marijuana advisory committees; these committees met over 35 times to discuss and shape various marijuana policy issues that were later incorporated into administrative rules. This increased rule activity has extended beyond 2015 as AP&P staff has continued to regularly respond to market issues, lessons learned and legislative changes with both an annual revision to Division 25 of Chapter 845 of the Oregon Administrative Rules and temporary action to respond to problematic issues within the market.

Requests for AP&P's technical assistance and technical reviews continue to rise steadily. AP& P has received additional staffing in the form of a case presenter to assist with marijuana contested cases, and a Bottle Bill specialist to administer the legislative changes under the Oregon Bottle Bill. The OLCC expects these demands on its services to continue to rise. To support this program, the agency is requesting Policy Option Package "Policy Option Package 215 "Bottle Bill Regulation & Funding" for one administrative specialist 1 to perform duties related to the expansion of the Bottle Bill, public information and compliance.

## B. BACKGROUND

The division has historically performed the following functions: reviewing and evaluating final reports generated by the Public Safety Division (subprogram 47); issuing charging documents and otherwise resolving contested cases for the OLCC Public Safety Services and Distilled Spirits programs (including hearing preparations, post-hearing exceptions and oral argument to the liquor commissioners); drafting rules and conducting rulemaking; providing technical assistance to the Public Safety Division; coordinating with the state Office of Administrative Hearings; providing technical and policy support to the liquor commissioners, including assistance with drafting final orders in contested cases; compiling the contested case record on appeal, and compiling a Digest of Cases chronicling final orders in contested cases. New to the department is the drafting of rules, policy development, and future caseloads for recreational marijuana licensees.

In February 2005, the agency consolidated Public Safety Services Program's technical resources into the Administrative Policy and Process Services Division. The purpose of the reorganization was to provide consistent, centralized technical guidance and training to the agency; to respond to legal/technical issues from the agency as a whole; to review and make recommendations on policy issues and technical determinations concerning enforcement, licensing, retailing, rulemaking and hearings; to provide legal coordination for the agency; and, in coordination with the Attorney General's Office, to provide review for legal sufficiency and consistency at all levels. The decision to review for technical sufficiency earlier in the agency's processes and having one central clearinghouse for evaluating technical sufficiency and ensuring consistency was implemented using existing resources.

## C. EXPECTED RESULTS

The Administrative Policy and Process Division will continue to provide its services and activities in the 2019-21 biennium. The expected result is to meet growing demand for services across three base responsibilities of AP&P with existing staff:

- **Meeting an anticipated increase in demand for charging documents, especially pertaining to marijuana license refusals, worker permit refusals, and marijuana compliance actions**: As Oregon grows, so do the number of violations and charges, and in the 2019-21 budget period the Administrative Policy and Process Division's workload is expected to increase. In order to preserve agency resources and achieve equitable results, the division continues a process for formal settlement negotiations to increase the number of settlements and reduce the number of contested case hearings.

- **Meeting an expected increase in demand for rulemaking**: The OLCC faces a rapidly changing regulatory environment. Given the ever-evolving recreational marijuana regulatory landscape, the division projects that the number and complexity of rulemaking actions will continue to increase. Rulemaking actions will also continue to increase due to: ongoing legislative amendments to the agency's authorizing statutes; potential shifts in the traditional three-tier system of alcohol distribution and taxation; implementing and clarifying Bottle Bill legislation; and the industry's increased use of the petition process to effect administrative rule changes.

- **Meeting an expected demand for increased technical assistance**: Innovation within growing spirits, wine and beer industries in Oregon and internationally is creating new complexities for regulating the industries and entertainment and hospitality businesses that serve alcoholic beverages. As a consequence, there is increasing need for technical assistance for the industry, and for personnel, to ensure commerce while maintaining compliance. Technical assistance in interpreting marijuana statutes and rules will increase as the market and regulatory landscape evolve. The Technical Services Unit will continue to respond to requests for technical assistance throughout the agency. These requests are on the rise due to fundamental shifts in the liquor industry, resulting in multi-faceted challenges to the traditional three-tier model of alcohol manufacture, distribution, and sales; new or expanded technical areas such as marijuana law interpretation and policy development, the siting of redemption centers, an increase in the bottle deposit and an expansion of containers covered by legislation expanding the Oregon Bottle Bill; and, continued enforcement of privilege tax reporting requirements.

## D. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent Other Funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana and penalties, privilege tax paid on the sales of beer and wine and other miscellaneous sources. The OLCC collects this revenue in accordance with ORS Chapters 471, 473 and 475B.

## E. PROPOSED LEGISLATIVE CHANGES

**Agency Concept 84500-002 – Redemption Center Fee**

The refund value for empty beverage containers increased from 5 cents to 10 cents on April 1, 2017 and the types of beverages included in the Bottle Bill greatly expanded on January 1, 2018. These changes increased interest in redeeming containers, which in turn created a major increase in the number of questions and complaints from impacted stores and the public about the Bottle Bill, which are currently fielded by the agency's one Bottle Bill Compliance Specialist. This leaves little time for performance of higher level compliance and oversight functions. A $3,000 annual registration fee for each redemption center will support the funding of an AS1 position to assist the Bottle Bill Compliance Specialist in performing duties related to Bottle Bill public information and compliance.

# BUDGET NARRATIVE

## Liquor License Fee Increase for Revenue Generation

**OLCC 19-21 Agency Request Budget**

**Policy Option Package No. 203, Agency Priority No 3**

### A. PACKAGE PURPOSE

Licensing fees for alcohol have been unchanged for the last 20 to 60 years and do not reflect the costs of administering the alcohol licenses they were intended to regulate. Oregon's alcohol license fees are also among the lowest in the nation. Funding from raising alcohol fees will be applied to agency operations for much needed upgrades in infrastructure and information technology and offset the use of other liquor funds that can be distributed to the state, cities and counties.

### B. HOW ACHIEVED

OLCC has submitted Legislative Concept 84500-01 to the Governor which will propose statutory change in alcohol license fees. The fees recommended for change or detailed below:

| License Type | License Description | Annual or Daily Fee | Proposed New Fee | Projected 2019-21 Transactions with New Fee | Projected 19-21 Revenue |
|---|---|---|---|---|---|
| BP | Brewery Public House | $ 250 | $ 500 | 717 | $ 358,703 |
| BRW | Brewery | $ 500 | $ 1,000 | 28 | $ 28,489 |
| BRWNC | Brewery No Consumption | $ 500 | $ 1,000 | 34 | $ 33,669 |
| CERA | Certificate of Approval (five year license) | $ 175 | $ 350 | 372 | $ 130,274 |
| DIST | Distillery | $ 100 | $ 200 | 267 | $ 53,353 |
| DS | Direct Shipper | $ 50 | $ 100 | 3,364 | $ 336,433 |
| F-COM | Full On-Premises Sales | $ 400 | $ 800 | 12,600 | $ 10,079,700 |
| GSP | Grower Sales Privilege | $ 250 | $ 500 | 31 | $ 15,540 |
| GSPNC | Grower Sales Privilege No Consumption | $ 250 | $ 500 | 70 | $ 34,964 |
| L | Limited On-Premises Sales | $ 200 | $ 400 | 7,867 | $ 3,146,808 |
| O | Off Premises Sales | $ 100 | $ 200 | 13,259 | $ 2,651,835 |
| WH | Warehouse | $ 100 | $ 200 | 101 | $ 20,202 |
| WMBW | Wholesale Malt & Wine Distributor | $ 275 | $ 550 | 477 | $ 262,102 |
| WSD | Wine Self Distribution | $ 100 | $ 200 | 461 | $ 92,202 |
| WY | Winery | $ 250 | $ 500 | 1,254 | $ 626,918 |
| WYNC | Winery No Consumption | $ 250 | $ 500 | 927 | $ 463,613 |
| TSL Addition | Establish Temporary Use of an Annual License(per day fees) | $ - | $ 10 | 1,000 | $ 10,000 |

**Liquor License Fee increase for Revenue Generation**
**OLCC 2019-21 Agency Request Budget Policy Option Package No 203**

| Division | Package Description | FTE | One-time | Ongoing | Total |
|---|---|---|---|---|---|
| | **LIQUOR LICENSE FEE INCREASE for REVENUE GENERATION** | | | | |
| | **Double Liquor License Fees from Current Statutory Levels** | | | | |
| Distilled Spirits | 2019-21 Forecast Revenue from Current Fees | | $0 | $9,172,403 | $9,172,403 |
| | 2019-21 Forecast Revenue from Statutory Increase Approval | | $0 | $18,344,806 | $18,344,806 |
| | Gain in Liquor License Revenue for 2019-2021 | | $0 | $9,172,403 | $9,172,403 |
| ***Subtotal - Liquor License Fee Increase - Package 203*** | | **0.00** | ***$0*** | ***$9,172,403*** | ***$9,172,403*** |

**a. Benefits to stakeholders**

Raising alcohol license fees will have an impact on Oregon businesses. Revenue generated from raising fees will help fund development of automated licensing and regulatory systems that will move applications, renewals, privilege tax and other filings from the current paper processes to electronic filing.

**b. Benefits to OLCC**

OLCC will generate additional revenues to fund needed agency improvements including automation of manual processes and reduction of paper forms.

## C. STAFFING IMPACT

No staff are added.

## D. QUANTIFYING RESULTS

The OLCC expects to process over 35,000 paper license application in the 2019-21 biennium. Raising alcohol license fees is expected to generate an additional million in revenue for the agency, state, cities and counties.

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B.

# BUDGET NARRATIVE

## Public Safety Statewide Dispatch Services

**OLCC 2019-21 Agency Request Budget**
**Public Safety Statewide Dispatch Services**
**Policy Option Package No. 205, Agency Priority No 5**

### A. PACKAGE PURPOSE

During the current biennium OLCC entered into an intergovernmental agreement with the Oregon State Police to provide dispatch services and the Oregon Department of Transportation to provide radio maintenance services. In contracting with OSP, OLCC was able to establish a statewide radio and communication plan that allowed our inspectors in the field to communicate in times of need and increased the safety of field inspectors of bars, restaurants and marijuana growers and retailers. OLCC Inspectors have limited law enforcement authority and it is an industry standard to have constant communication capabilities. By using OSP dispatch the OLCC knows the exact locations of inspectors and can communicate in times of need with not only OSP, but other local law enforcement partners on a statewide basis.

Historically OLCC had a rudimentary internal dispatch process for the Portland area out of the Portland Regional Office. The dispatch center was not staffed all the time and often inspectors were in the field with no ability to call for radio help. The system was not robust and often inspectors were texting dispatch to be able to notify them of their updated locations. In the other Regional Offices OLCC relied on other law enforcement agencies to agree to let OLCC use their local system in cases of emergency. It was not a standardized, systematic approach to communication across the state and coverage was spotty at best. In some locations there was no communication systems available.

### B. HOW ACHIEVED

This request is funding the continued cost of maintaining the Oregon State Police Dispatch services for OLCC's Inspectors in the field. The cost of each inspector using the State Police Dispatch Services per month is $508 per month per the current agreement.

**Public Safety Statewide Dispatch Services**
**OLCC 2019-21 Agency Request Budget Policy Option Package No 205**

| Division | Package Description | FTE | One-time | Ongoing | Total |
|---|---|---|---|---|---|
| | **Public Safety Statewide Dispatch Services** | | | | |
| Public Safety | Oregon State Police Dispatch Services for Distilled Spirits<br>OSP dispatch services for 46 liquor regulatory specialists, managers, and compliance specialists. | | | $584,916 | $584,916 |
| | | 0.00 | $0 | $584,916 | $584,916 |
| Recreational Marijuana | Oregon State Police Dispatch Services for Recreational Marijuana<br>OSP dispatch services for 23 marijuana inspectors and 1 compliance specialist. | | | $292,608 | $292,608 |
| | | 0.00 | $0 | $292,608 | $292,608 |
| Medical Marijuana | Oregon State Police Dispatch Services for Recreational Marijuana<br>OSP dispatch services for 16 liquor regulatory specialists, managers, and compliance specialists. | | | $195,072 | $195,072 |
| | | 0.00 | $0 | $195,072 | $195,072 |
| ***Subtotal - Statewide Dispatch Services - Package 205*** | | ***0.00*** | ***$0*** | ***$1,072,596*** | ***$1,072,596*** |

**a. Benefits to stakeholders**

OLCC regulatory specialist for alcohol, recreational marijuana and medical marijuana will have constant communication to a statewide system that ensures employee safety in all areas of the state including licensed premises in large metropolitan regions and remote marijuana production operations in rural areas. Oregon State Police will receive funding assistance to provide dispatch services for law enforcement throughout the state. Local law enforcement can coordinate with OLCC regulatory specialists.

**b. Benefits to OLCC**

OLCC Regulatory Specialists are better protected and will have better coordination with other state law enforcement agencies.

## C. STAFFING IMPACT

The package adds no new staff to OLCC.

## D. QUANTIFYING RESULTS

OLCC expects to have 77 regulatory specialists covering over 17,000 licensed alcohol, recreational marijuana and medical marijuana locations in the state.

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. Funding for Recreational Marijuana comes exclusively from marijuana related license fees collected under OAR 845-625-1060 as authorized under ORS 475B. Funding for OMMP Medical Marijuana Tracking comes from marijuana tax money as distributed to OLCC under ORS 475B.895 (7).

# BUDGET NARRATIVE

## Public Safety Licensing Staff Fulfillment

**OLCC 2019-21 Agency Request Budget**

**Policy Option Package No. 206, Agency Priority No 6**

### A. PACKAGE PURPOSE

This licensing package focus on three areas of support necessary for staffing services for efficient licensing and permitting, matching staff to a new overall increase in demand for public records, and aligning the unit and its management of licensing with that of the public safety side of the public safety division beginning with recognizing the high-level responsibility held by the OLCC Licensing Director.

OLCC has grown substantially in the last two biennia including adding dozens of positions in the recreational marijuana program. The need to match growing demand for alcohol services has also increased over several biennia right along with an improving economy generally and with the booming craft beer and wine industries. The alcohol services of OLCC can no longer absorb impacts that meeting the immediate demands of the start-up of the marijuana program created. The OLCC has placed a priority on meeting all growth and this request reflects that comprehensive focus. This request prioritizes and directs resources to manage and service an ever increasing stream of applications for alcohol server permits and temporary sales licenses for special events — these permits and licenses support the hospitality and entertainment economy in Oregon and delays in service impact Oregon's local economies.

The marijuana program area has driven a myriad of new workload on the agency related to requests for public records and data. This is in addition to the higher level of public record requests the OLCC is processing for its administration and alcohol. The OLCC Licensing Division is now experiencing a constant and growing workload related to record requests that are intensely time consuming, putting a significantly higher workload on the Licensing Division in Public Safety including management. With the rapid growth of the agency, existing positions have also taken on additional responsibilities requiring them to be re-classed to best suit their current duties.

### B. HOW ACHIEVED

**OLCC requests addition of one limited duration double fill of the metro area Event Licensing Specialist AS1 position.** The current workload of this position is more than one person can manage and has consistently, for years, required assistance from multiple other staff. The special event workload in the Portland Metro region makes up one half of the licenses processed statewide, processing over 5,000 per year. The reason for asking for a limited duration double fill instead of an addition permanent position is that there are too many variables in play and on deck for this position to accurately predict what the workload will look like when all the changes are finalized.

# BUDGET NARRATIVE

**OLCC requests addition of one Principal Executive Manager D for alcohol licensing.** There are thirty Licensing Specialists statewide reporting to the sole Licensing PEMD (4500.052). Thirteen of those are in the recreational marijuana program and seventeen are in the alcohol program. This manager is required to manage the two separate programs. Regulatory Specialists are managed by region rather than statewide. So for comparison purposes, the following numbers are for *statewide* licensing and *Portland Metro* enforcement, where liquor and marijuana employees are managed separately. OLCC is asking for this additional manager position to make the manager: staff ratio in licensing commensurate with enforcement and to mirror the structure of managing liquor and marijuana separately.

**OLCC requests addition of one Principal Executive Manager B for license process.** The current manager to employee ratio (1:24) is unsustainable. The addition of a lower level management position helps develop a pathway into the C level and beyond. In addition to the expected demands of supervising 24 people and 9 work units, the marijuana program is not yet stabilized and requires a lot of attention and the liquor program will gradually migrate to online processing which will also require a lot of attention. The new manager will supervise staff in the liquor program where processes and workload are normal and stable. The senior manager will make hiring and disciplinary decisions in consultation with the new PEMB.

**OLCC requests addition of one Operations and Policy Analyst 2** that can centrally manage public records requests. OLCC requires a staff position that can centrally manage requests, estimate fees, and apply public records laws and policies in order to achieve the following goals: meet statutory deadlines (5-day acknowledgement and 10-day response requirements with the ability to extend deadlines); timely respond to an increasing number of requests, develop consistent tracking, and allow staff who currently fill these requests to focus on their primary duties. Response times are dependent on workload and staff availability, but simple requests often take less than five working days. More complex requests can take between 30 and 60 days. Many marijuana related-records are exempt from disclosure, requiring a significant amount of staff time to redact information. 2017 SB 481, effective January 1, 2018, creates deadlines for agencies to acknowledge receipt of requests within five business days and fulfill requests within 10 days, but does allow for extensions of time. OLCC's tracked data reflects nearly 800 records fulfilled annually. OLCC has had 5.25 million visits to www.marijuana.oregon.gov web site since the website was created, and has had 6.28 million visits to the webpages focused on liquor in the last three years. OLCC's email subscription service has approximately 91,000 subscribers for marijuana information and 70,000 subscribers for liquor information. In the last year, the "Request License Records" page on OLCC's website had 2,741 hits. There is a lot of interest in the agency's activities and the lack of a centralized records request process makes it difficult for the public to know where to send a request. In addition to traditional records requests, there are a significant amount of requests for agency records from other public bodies such as local government, law enforcement, and the legislature. Staff's goal is to create a public records section on the OLCC web page where persons seeking information can submit a request to view or receive records. This position will monitor the incoming requests and coordinate responses. Having one person to monitor and manage incoming requests and to coordinate with the divisions that maintain the records is vital to OLCC's success in meeting required deadlines.

# BUDGET NARRATIVE

**OLCC requests addition of three Office Specialists 2s for alcohol service permits**. Currently, the unit consists of one Administrative Specialist II position and one Office Specialist II (OS2) position. The OS2 position is currently a limited duration appointment that has been staffed with temporary employees. OLCC receives over 200 new applications per day for alcohol service permits. The standard rate of background checking is about 20% of applications. About 10% of applicants disclosed criminal backgrounds and we would run those automatically.

**OLCC requests a reclass for the Director of Licensing (4500.517) position from a Principal Executive Manager E to a Principal Executive Manager F.** The OLCC has grown substantially in the last two biennia including adding numerous positions and the recreational marijuana program. Restructuring the management team will be required to balance the supervisory needs of the agency. This position was classified as an executive manager E when the only responsibility for this position was the state wide liquor licensing program. The Director of Licensing is a key position within the OLCC and now has responsible for statewide licensing program of alcohol and marijuana while managing technical experts within the licensing program. The volume of work added with recreational marijuana has exceeded all estimates. The OLCC has received 4,422 license applicants as of July 15, 2018. Of those applications, 1,986 are approved licenses. The marijuana licensing process is a more complex licensing process than alcohol that includes water rights and land use compatibility studies as examples. This position currently has nine direct reports and two managerial employees reporting to this position. The direct reports are technical experts and administrative support. The two managers that report directly to this position are both executive level D managers. These two managers have 54 subordinate employees reporting to them. This includes license services located in our Milwaukie Headquarters and license investigators located throughout the State of Oregon.

# BUDGET NARRATIVE

## Public Safety Licensing Staff Fulfillment

## OLCC 2019-21 Agency Request Budget Policy Option Package No 206

| Division | Package Description | FTE | One-time | Ongoing | Total |
|---|---|---|---|---|---|
| Licensing | Add 1 Limited Duration Administrative Specialist 2 for Special Events | 1.00 | | $138,487 * | $138,487 |
| | Services & Supplies, including office space @ $17,368 per employee | | $2,767 | $23,368 | $26,135 |
| | Work station furniture & chair | | $7,695 | | $7,695 |
| | | 1.00 | $10,462 | $161,855 | $172,317 |
| Licensing | Add 1 Principle Executive Manager D to Licensing Processing | 1.00 | | $215,322 * | $215,322 |
| | Services & Supplies, including office space @ $17,368 per employee | | $2,767 | $23,368 | $26,135 |
| | Work station furniture & chair | | $7,695 | | $7,695 |
| | | 1.00 | $10,462 | $238,690 | $249,152 |
| Licensing | Add 1 Principle Executive Manager B to Licensing Processing | 1.00 | | $176,784 * | $176,784 |
| | Services & Supplies, including office space @ $17,368 per employee | | $2,767 | $23,368 | $26,135 |
| | Work station furniture & chair | | $7,695 | | $7,695 |
| | | 1.00 | $10,462 | $200,152 | $210,614 |
| Licensing | Add 1 Operations & Policy Analyst 2 for Public Records Requests | 1.00 | | $178,542 * | $178,542 |
| | Services & Supplies, including office space @ $17,368 per employee | | $2,767 | $23,368 | $26,135 |
| | Work station furniture & chair | | $7,695 | | $7,695 |
| | | 1.00 | $10,462 | $201,910 | $212,372 |
| Licensing | Add 3 Office Specialist 2s for Alcohol Service Permits | 3.00 | | $363,432 * | $363,432 |
| | Services & Supplies, including office space @ $17,368 per employee | | $8,301 | $70,104 | $78,405 |
| | Work station furniture & chair | | $23,085 | | $23,085 |
| | | 3.00 | $31,386 | $433,536 | $464,922 |
| Licensing | Reclassify Licensing Director PEM-E to PEM-F | | | $25,621 | $25,621 |
| | | 0.00 | $0 | $25,621 | $25,621 |
| ***Subtotal - Licensing Staff Fulfillment - Package 206*** | | ***7.00*** | ***$73,234*** | ***$1,261,764*** | ***$1,334,998*** |

**a. Benefits to stakeholders**

OLCC's licensing system processes over 19,000 alcohol and marijuana licenses annually. In addition there is processing and renewals for 165,000 alcohol service permits, 31,000 marijuana worker permits, and 9,500 temporary sales licenses. Timely processing of licenses and permits enables business and people to begin contributing economically to the state but they must also be licensed effectively so they do not become a public safety risk

**b. Benefits to OLCC**

Resource constraints within the agency have led to significant overtime and stress related to increased workloads. Non-compliance of some licensees can lead to high profile cases where perception of the agency is diminished. More resources allow OLCC to more effectively serve the public.

## C. STAFFING IMPACT

The package adds seven positions to OLCC.

## D. QUANTIFYING RESULTS

This requests links directly to two agency Key Performance Measures; Time to license for alcohol licenses and time to license for marijuana licenses

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B.

# BUDGET NARRATIVE

## Public Safety Enforcement Staff Fulfillment

**OLCC 2019-21 Agency Request Budget**

**Policy Option Package No. 207, Agency Priority No 7**

### A. PACKAGE PURPOSE

**OLCC requests addition of two Liquor Regulatory Specialists**

Currently there are 13,262 licensed liquor premises statewide. Listed below are the license numbers broken down by region divided by the number of liquor Inspector positions. This allows us to establish a ratio to evaluate adequate coverage. The mitigating factor is geographic size of the regions.

| Region | Number of Licenses | Inspectors | Ratio of Licensee/Inspector |
|---|---|---|---|
| Portland | 5,660 | 16 | 1 to 354 |
| Salem | 2,220 | 5 | 1 to 444 |
| Eugene | 2,060 | 5 | 1 to 412 |
| Bend | 1,654 | 6 | 1 to 276 |
| Medford | 1,668 | 6 | 1 to 278 |

Eugene and Salem shows the highest ratios and includes the responsibility of having the two largest universities in Oregon. The ratio for Bend and Medford are the lowest, but it includes the greatest geographical area. The Medford region has a similar ratio to Bend but has a larger geographic footprint. As liquor license numbers continue to increase, having inspector presence and investigative capacity is necessary to OLCC's regulatory mandate. Adding an inspector to the Eugene region would lower the ratio to 1 to 343 and adding an inspector to the Salem region would lower the ratio to 1 to 370. Adding these two inspector positions will align the ratios of Eugene and Salem which serve a large part of Oregon.

**OLCC requests funding to purchase and mount permanent fixed radios**

During this biennium, the OLCC contracted for state wide radio dispatch services through the Oregon State Police. OLCC was financially unable to purchase both fixed radios and portable radios for inspectors during this biennium. The agency purchased portable radios first as they can always be in the possession of the inspectors ensuring their safety. However, portable radios have environmental limitations on their performance and in densely populated areas like downtown Portland and the very remote areas such as Southern Oregon, their performance is diminished. It is an industry standard in law enforcement to have both portable radios and fixed radios within the vehicles. This combination of fixed/portable communication system allows the best communication possible and will improve safety for Inspectors. Once the radios are purchased the agency will only need to purchase additional radios when it adds to its inspector vehicle fleet. An additional on-going cost that will be a monthly fee is for trunking the radios. Trunking allows radios to automatically change stations as the vehicle moves between radio tower sites throughout the state which assures contact with Oregon State Police and improves inspector safety. The cost of each radio is $4,500 with installation costing an additional $300 per vehicle. Trunking the radios requires a monthly cost of $30 per radio. OLCC inspector's safety is vital to the agency's mission as OLCC inspectors are asked to control safety in difficult and confrontational situations, often in isolated and rural areas. The use and installation of radios not only allows OLCC inspectors to readily communicate with law enforcement for safety; they enhance operations by allowing the inspector to connect with managers for approvals for field actions. This reduces the risk associated with the utilization of law enforcement powers and aids in the consistent application of rules throughout the state (conformity on changing marijuana regulations). Lastly, these systems provide for inspector safety through geolocation of inspectors across the state.

## B. HOW ACHIEVED

**OLCC requests addition of two Liquor Regulatory Specialist** positions for the Public Safety Division. One of the positions will be stationed in the Salem Regional Office and the second position will be stationed at the Eugene Regional Office (Corvallis).

**OLCC requests funding to purchase and mount permanent fixed radios** in all inspector vehicles statewide which includes liquor, recreational marijuana, and OMMP tracking regulatory specialists.

**OLCC requests funding for monthly trunking fees** for all inspectors statewide including liquor, recreational marijuana, and OMMP tracking regulatory specialists.

**Public Safety Staff Fulfillment**
**OLCC 2019-21 Agency Request Budget Policy Option Package No 207**

| Division | Package Description | FTE | One-time | Ongoing | Total |
|---|---|---|---|---|---|
| | **Public Safety Statewide Dispatch Services** | | | | |
| Publice Safety | Add 2 Regulatory Specialists for Liquor | 2.00 | | $357,084 | $357,084 |
| | Services & Supplies, including office space @ $17,368 per employee | | $32,864 | $46,736 | $79,600 |
| | Work station furniture & chair | | $72,056 | | $72,056 |
| | | 2.00 | $104,920 | $403,820 | $508,740 |
| Publice Safety | Permanently mount radios in 63 Enforcement Vehicles | | $302,400 | | $302,400 |
| | Monthly Trunking Fee for 63 radios | | | $45,360 | |
| | Monthly Trunking Fee for 85 portable radios | | | $61,200 | |
| | | 0.00 | $302,400 | $106,560 | $302,400 |
| ***Subtotal - Public Safety Staff Fulfillment - Package 207*** | | ***2.00*** | ***$407,320*** | ***$510,380*** | ***$811,140*** |

**a. Benefits to stakeholders**

Oregon's liquor regulatory system oversees over 13,000 licensed premises including brewpubs, bars, restaurants, convenience stores, concerts, special events and wineries. Businesses need to be regulated effectively so they do not become a public safety risk. Prevention of alcohol sales to minors is a top priority for OLCC.

Oregon's marijuana and OMMP tracking regulatory system continues to grow; currently inspectors oversee over 2,500 marijuana licensees and OMMP registrant premises. Prevention of diversion outside of the regulatory system and sales to minors is a top priority for OLCC.

**b. Benefits to OLCC**

Addition of Public Safety resources will allow OLCC to more effectively serve the public. Non-compliance of some alcohol licensees can lead to high profile cases where the perception of the agency is diminished and the ability to enforce alcohol laws is made more difficult.

Permanently mounted radios and tracking services provide continual radio contact and coordination between inspectors and the Oregon State Police dispatch to mitigate the environmental limitations of portable radios including densely populated and very remote areas.

## C. STAFFING IMPACT

The package adds two positions to OLCC.

## D. QUANTIFYING RESULTS

This requests links to a Key Performance Measure: Sales to Minors Compliance

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. The recreational marijuana program and the OMMP tracking program will pay their proportional share of the costs through OLCC's allocation formula.

# BUDGET NARRATIVE

## Marijuana Program Enhancement

**OLCC 2019-21 Agency Request Budget**

**Policy Option Package No. 408, Agency Priority No 8**

### A. PACKAGE PURPOSE

The recreational marijuana program in Oregon continues to grow and outpace initial estimates. During the beginning of the program agency's inspectors who normally do enforcement were tasked with assisting licensees come into the licensed program. During the last year the agency has slowly transitioned its Inspectors back to compliance work. To date, most of the compliance work is driven by complaints received at OLCC; however, the Public Safety Program has implemented and carried out new inspection protocols for marijuana minor decoy missions and for retail inspections. All inspections for producers, processors, wholesalers and labs will have active inspections under protocols specific to the issues of compliance of the specific license type and all inspectors will have training to carry out each type of inspection or investigation. The OLCC is developing the internal process to utilize data from the Cannabis Tracking System (CTS - Metrc) to create priorities for inspection, oversight, and the issuance of warnings and violations. The CTS is a powerful tool and manual and automated analysis of data within CTS can be utilized to detect potential problems or violations of specific marijuana licensees and license types. With the hiring of additional staff, the OLCC will be analyzing and programing reports to detect potential patterns of deceptive behavior and inaccurate reporting. This intelligence will be used to monitor license and task inspection missions and surveillance by inspectors.

The compliance work in the recreational marijuana program continues to evolve. OLCC is building a comprehensive compliance program, aligning internal processes for complaint driven investigations with data driven compliance efforts and developing schedules for periodic inspections of all license types to stop diversion, deter behavior and practices leading to diversion, and ensuring the integrity of tracking of product for quality control, tax collections, and consumer protection. This level of comprehensive oversight is an expectation of the state laws creating the program and is designed with the full recognition that marijuana remains a Schedule I regulated drug that is federally illegal.

Laboratory oversight and regulation is technical and mired in the necessary analysis of data and reports from hundreds, maybe thousands of test results and associated reporting. This specialized work requires detailed and specific knowledge and skills. The OLCC recognizes the need for specialized expertise to aid Inspectors in the oversight of laboratory licensees and to assist the agency in developing future policies concerning laboratory regulation in conjunction with OHA, the ORLAP lab certification board, industry members, and public health officials. This area of regulation is important to ensuring a level playing field in the industry and to protect consumers. Some of the many issues in this area include: ensuring that existing and future testing procedures are properly carried out; falsification of results and technical equipment malfunctions are detected; and record keeping is accurate

The recreational marijuana program continues to create demand for information and education to be delivered to multiple stakeholder groups, and specifically, OLCC marijuana licensees. The comprehensive regulation and rules being put in place by OLCC and partner agencies is critical to communicate to licensees to ensure compliance. Frequently information is of interest and concern to the general public, and there is high demand for clarification on issues such as developments on social consumption, clarifications about the prohibition of use in many environments, or about the legal consequences of activities. The OLCC public affairs/communications team has been utilizing an external communications partner on a limited basis to support the recreational marijuana program with specialized communication expertise to assist the agency's efforts in creating effective messaging and public outreach materials when those projects are beyond the capacity of existing staff. These efforts include: stakeholder engagement, public education campaigns like the well-received "What's Legal" campaign, and graphic design support. For instance, for some time now the agency has wanted to create an education and reward campaign that focus on the dangers of unlicensed butane hash oil, or BHO extraction of THC happening in neighborhood home and apartments — this is a very real and deadly practice and partnering with public safety and public health partners on communications on this topic is an example of specialize communication projects. Given expanding regulator authority for medical marijuana tracking and complicated hemp regulations the OLCC audiences for specialized communication support are growing and will continue to grow over several years.

## B. HOW ACHIEVED

**OLCC requests a re-class of an Administrative Specialist 2 to Operations Policy Analyst 1** (Position 8000.407). This position was originally established at an AS2 level, prior to having any knowledge of the MJ licensing rules, processes and computer systems, based loosely on the corresponding AS2 position in liquor. It became apparent after a few months that the duties were going to be nothing like the liquor AS2. This request is to fund the reclassification of the position to the appropriate level of an OPA1. As the current work of this position is significantly different than expected, the new duties have been assessed by HR staff and determined to be appropriately classed at an Operations Policy Analyst 1. The revised tasks fall under three general categories;

1) Systems improvement including assessing system operations and resolving system functional problem.
2) Operational Evaluation and Support including monitoring application processing in the NIC-USA application system, researching impacts of statutory and administrative rule changes on the system and evaluating the benefits and consequences of policy option proposals.
3) Administrative Services and Support including tracking of application and design processes to maintain efficient flows of licensing work.

**OLCC requests one Compliance Specialist 3 for Marijuana Laboratory Regulation** to focus on laboratory compliance, protocol and regulation. The marijuana program has many areas where state agency collaboration is required. One large area of overlap is the complex regulatory environment for overseeing laboratory licensees testing of marijuana products for pesticides and other dangerous compounds that can taint the safety and quality of the product intended for human consumption by smoking, vaping, consuming in edibles, or used as topical treatments. The laboratories are accredited by the Oregon Environmental Laboratory Accreditation Program (ORELAP) which is housed within OHA. The laboratories follow OHA's administrative rules for product testing requirements and the OLCC is responsible for licensing laboratories. The OLCC is turning its focus to laboratory compliance now that the overall marijuana market is up and running. The OLCC is ready to engage with partner agencies in providing the level of necessary oversight of this complex and highly technical area of licensure and compliance. Specialized scientific knowledge and analytical skills are necessary to support OLCC's work with ORELAP and OHA to conduct audits, investigations, and make sure the laboratories are held to the same standards of other licensees and the focus on consumer safety is met. This area of regulation is important to ensuring a level playing field in the industry and to protect consumers. Some of the many issues focused in this area include: assuring that existing and future testing procedures are properly carried out; falsification of results and technical equipment malfunctions are detected; and record keeping is accurate.

Compliance staff can spend an exorbitant amount of time researching complaints against laboratories. Having a dedicated staff member to focus on laboratory compliance, protocol and regulation will assist the overall efficiency of OLCC's compliance program. Regulatory inspectors can get needed assistance in the field and OLCC will have the capacity to work with OHA and ORELAP on detailed investigations and audits (provided OHA and ORELAP are also provided resources). ORELAP will benefit having a contact person at the OLCC who understands laboratory protocol and the OLCC rules and regulations. OHA will benefit by having a staff member who works directly with labs and can track modifications of testing requirements and train and educate other inspectors on these change.

Even with its considerable imperfections, Oregon's aggressive testing standards are nation leading and important to marijuana regulation across the nation and internationally. Laboratory regulation is an important policy area for all states regulating both medical and recreational marijuana because it is important to human consumption of marijuana products. Protecting health and safety in this area, and the consistency of standards between jurisdictions for measuring product qualities, is important to harmonize. Today, testing methodology varies from laboratory to laboratory and state to state. Regulators and the industry are looking to improve and standardize testing to protect consumers through consistent regulation. Even though interstate commerce is not available today, brands that consumers are familiar with are available through each state's regulatory systems and these products, with respect to testing are not equivalent for consumer use. This position will help the OLCC continue to manage to a best practices level of service.

# BUDGET NARRATIVE

**OLCC requests a re-class of an Operations & Policy Analyst 3 to Principle Executive Manager D (800.407)** to lead development by a team of analysts in the process of creating a system of violation prevention, deterrence and detection through automated and manual detection of data anomalies in the Cannabis Tracking System (CTS - Metrc). This is at the heart of a systematic system of flagging activities for warning and violation tickets and the missioning of inspectors in the field to inspect or surveil license activities. Utilizing basic algorithms and programing the regular production of data reports will unleash the tremendous value of the data reported into the CTS system. This position will manage technicians that will analyze data, complete reports, and cause the issuance of warnings and violation notices that will be automatically sent from the CTS system based on predetermined criteria. This technical unit will also review videos to enhance OLCC's ability to proactively assist the program's compliance efforts, this will provide an efficiency to field operations that will focus on conducting inspections. Technicians will be asked to review supplied video for evidence of infractions, frequently during as specific historical time period. The reports created by the unit will be sent directly to the OLCC's statewide regional managers using a commercial off-the-shelf program and will be used to establish compliance priorities for their regions. This manager would also be responsible for making non-protected data available to researchers and to those communicating data on behalf of the agency. Eight positions would report directly to this position including compliance data analyst and video watchers — also included in this policy option package — for both the Recreational and OMMP Medical Marijuana Tracking programs.

**OLCC requests addition of eight Regulatory Specialists (Inspectors)** for the Recreational Marijuana program to ensure regulatory compliance of license. The work of marijuana compliance is more detailed and intricate than in liquor and there are expectations in law and from the federal government about the need for comprehensive efforts to control marijuana production and sales. Inspections in rural Oregon involve significant travel times and inspections of retail establishment can take two Inspectors up to four hours to complete. Likewise, organizing and caring out minor decoy missions is a time consuming process and it is a vital expectation of law that the OLCC works aggressively to prevent marijuana from being sold to minors.

Currently OLCC has 1,909 active marijuana licensees with a forecast to grow to 2,300 licensees in the next biennium based on the current number of applications in the system. OLCC's current ratio of licensees to Inspector is 100 to 1. By adding 8 Inspectors the ratio of licensees to Inspector would be reduced to 75 to 1. This is greater than established ratios used for alcohol inspections, but is directly responsive to the growing demand for services to the industry and is commensurate with the high degree of public safety concern surrounding Oregon's nascent program of marijuana regulation. This is an important time in the establishment of expectations for professionalization of the industry and application of OLCC rules. In this early stage in the program, constant education, communication and presence is critical. OLCC is aware the importance of compliance is not equal amongst its licensees. While most OLCC licensees value their license and make significant investments to be a part of the system and meet OLCC stringent standards, others licenses are not exhibiting the same operational dedication to meeting those standards. A strong regulatory enforcement structure is needed to protect the industry and make sure that Oregon is doing its due diligence in stopping diversion to the illegal market and having an effective compliance program. This request is directed at satisfying the overall concern for public safety and control as the program develops.

**OLCC requests addition of three Office Specialists 2's** to enable the agency to utilize the information stored on video to enforce compliance and prevent or detect diversion of marijuana. These specialist will watch and report on surveillance videos obtained from field investigations. Providing this oversight is an important part of the agency evolution in that it ensures the capability to gain the benefit of requiring important public safety camera coverage rules. Camera coverage and the retention of back-up video is a major requirement of OLCC rules and simply failing to meet this requirement can result in the loss of a license. It is not just a key features of the program's current enforcement model to require licensees to maintain and operate video surveillance equipment, video is important in determining violations and video examination has provided evidence and proof of violations for many OLCC administrative cases.

These requirements are in Oregon Administrative Rule under Chapter 825-025-1430-1460. Any licensee licensed prior to August 31, 2016 is required to maintain the prior 30 days of recordings and licensees licensed after August 31, 2016 are required to maintain 90 days of recordings. The extension of time of recordings was a direct result of public safety concerns expressed at rule making and the fact that it has been used to prove violations and sanction licensees is evidence itself of the importance of using this common technology to prove allegations of misconduct. As the OLCC moves from a more reactive, complaint driven enforcement approach to a more disciplined data driven approach, seizing and watching video for compliance issues will become a regular, frequently used method of ensuring oversight of licenses. Often times Inspectors have an idea of the date that a violation occurred, but looking for additional violations once an illegal practice has been identified is very time intensive. The requested positions will watch video for specific violations that were suspected through an Inspector investigation or through data driven metrics that were obtained from the Cannabis Tracking System (CTS - Metrc). Once a video has been identified that needs to be reviewed an Inspector will respond to the licensed location and obtain copies of the video. The OS2s will then watch the videos and flag any suspicious activity found and send the video back to the Inspector's for review and additional investigation. The addition of these positions will free up Inspector's to continue to work in the field and not spend inordinate amounts of time reviewing video surveillance.

**OLCC requests funding ($200,000 biennial allocation)** for continuing strategic and tactical support related to marijuana from an external communications partner to provide assistance as the agency takes on additional responsibilities. This support will be used as the agency continues to adapt to changes in laws and rules regulating recreational marijuana, medical marijuana, and hemp that must be communicated to large groups of licensees, registrants, and stakeholders. The support will build upon existing work and compliment a similar request for the agency's distilled spirits retail expansion, particularly communications and engagement with alcohol licensees and stakeholders. There is simply high value in having the capability to educate the public and license about the changing landscape of regulation in the dynamic areas of OLCC regulation. The OLCC has a statewide presence and statewide responsibilities and while considerable investments are made in licensing and enforcement staff, expenditures on communication that helps license comply with ever changing regulation and that educates the public are effective in helping OLCC achieve its public safety mission.

# BUDGET NARRATIVE

**OLCC proposes to raise fees for annual marijuana licenses by $100** to accommodate increase in program expense if all the proposed policy option packages for recreational marijuana are approved. Fee increases are done by rule and would be implemented to accommodate increases in personal services and costs associated with inflation.

# BUDGET NARRATIVE

## Marijuana Program Enhancement

## OLCC 2019-21 Agency Request Budget Policy Option Package No 408

| Division | Package Description | FTE | One-time | Ongoing | Total |
|---|---|---|---|---|---|
| Marijuana - Administration | Reclassify Admin Specialist 2 to Operations & Policy Analyst | | | $15,586 | $15,586 |
| | Reclassify OPA3 to PEM-D to manage data operations for Marijuana | | | $10,704 | $10,704 |
| | | 0.00 | $0 | $26,290 | $26,290 |
| Marijuana - Regulation | Add 1 Compliance Specialist 3 for Marijuana Laboratory Regulation | 1.00 | | $192,611 | $192,611 |
| | Services & Supplies, including office space @ $17,368 per employee | | $2,767 | $23,368 | $26,135 |
| | Work station furniture & chair | | $7,695 | | $7,695 |
| | | 1.00 | $10,462 | $215,979 | $226,441 |
| Marijuana - Regulation | Add 8 Regulatory Specialists for Marijuana | 8.00 | | $1,428,336 | $1,428,336 |
| | Services & Supplies, including office space @ $17,368 per employee | | $131,456 | $186,944 | $318,400 |
| | Work station furniture & chair | | $288,224 | | $288,224 |
| | | 8.00 | $419,680 | $1,615,280 | $2,034,960 |
| Marijuana - Administration | Add 3 Office Specialist 2s to watch & investigate Marijuana video | 3.00 | | $363,432 | $363,432 |
| | Services & Supplies, including office space @ $17,368 per employee | | $8,301 | $70,104 | $78,405 |
| | Work station furniture & chair | | $23,085 | | $23,085 |
| | | 3.00 | $31,386 | $433,536 | $464,922 |
| Marijuana - Administration | Funding for Contract Services related to Marijuana Outreach | | | | |
| | Contract with PR firm to develop materials and public safety announcements | | $200,000 | | $200,000 |
| | | 0.00 | $200,000 | $0 | $200,000 |
| | **Expenditures** | ***12.00*** | ***$661,528*** | ***$2,291,085*** | ***$2,952,613*** |
| | **Revenue** | | | | |
| Marijuana - Administration | Proposed Fee Increase of $100 per license x 4,600 licenses | | | $460,000 | $460,000 |
| | | 0.00 | $0 | $460,000 | $460,000 |
| ***Subtotal - Marijuana Program Enhancement - Package 408*** | | ***12.00*** | ***$661,528*** | ***$1,831,085*** | ***$2,492,613*** |

**a. Benefits to stakeholders**

Creation of a well-regulated marijuana industry will benefit all licensees in Oregon and reduce the risk of federal scrutiny.

**b. Benefits to OLCC**

A well-regulated industry poses less reputational risk to the agency.

## C. STAFFING IMPACT

The package adds twelve positions to OLCC.

## D. QUANTIFYING RESULTS

OLCC's marijuana program has two key performance measures; Time to License and Sales to Minors compliance rate.

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. Funding for Recreational Marijuana comes exclusively from marijuana related license fees collected under OAR 845-625-1060 as authorized under ORS 475B. Funding for Medical Marijuana Tracking comes from marijuana tax money as distributed to OLCC under ORS 475B.895 (7).

# BUDGET NARRATIVE

## Regulatory Specialist Reclassification

**OLCC 2019-21 Agency Request Budget**

**Policy Option Package No. 209, Agency Priority No 9**

### A. PACKAGE PURPOSE

In 2017 the Classification and Compensation unit of the Department of Administrative Services completed a compensation study of the Liquor and Marijuana Regulatory class positions. The study concluded that Regulatory Specialists who were sworn inspectors should be raised from a salary level 25 to a salary level 27. It also concluded that unsworn Regulatory Specialists who are classified as license investigators would remain at the salary level 25. The study resulted in a splitting the of the Regulatory Specialist positions into two positions: Regulatory Specialist (Level 27) and Licensing Specialist (Level 25).

The change of the salary ranges was implemented with a least cost process meaning that for most employees their salary in the new range is the same salary as the old range. Those regulatory specialists who moved from Level 25 to Level 27 have the same salary but at a lower step in the new range with one exception: those employees who moved from a salary Level 25 to Level 27 who have already reached or will reach the top step of Level 27 during the 2019-21 biennium. This package adjusts the agency's budget to account for cost of reclassification.

### B. HOW ACHIEVED

Provide funding for differential of Regulatory Specialist that moved from a Salary Level 25 to a Salary Level 27 who have reached or will reach the top step of the 27 level during the 2019-21 biennium.

# BUDGET NARRATIVE

**Regulatory Specialist Reclassification**

**OLCC 2019-21 Agency Request Budget Policy Option Package No 209**

| Division | Package Description | FTE | One-time | Ongoing | Total |
|---|---|---|---|---|---|
| | **Regulatory Specialist Position Study Reclassifications** | | | | |
| Public Safety | Personal Services cost for Reclassification of 38 Liquor Regulatory Specialists from salary level 25 to 27 | | | $404,617 | $404,617 |
| Marijuana | Personal Services cost for Reclassification of 23 Liquor Regulatory Specialists from salary level 25 to 27 | | | $252,157 | $252,157 |
| ***Subtotal - Regulatory Specialist Study Reclassifications - Package 209*** | | **0.00** | ***$0*** | ***$656,774*** | ***$656,774*** |

**a. Benefits to stakeholders**

Regulatory Specialists at the OLCC will receive the compensation that was granted to them as a result of the position study and reclassification.

**b. Benefits to OLCC**

OLCC's budget limitation will accommodate the required additional salary steps.

## C. STAFFING IMPACT

The package adds no positions to the agency

## D. QUANTIFYING RESULTS

OLCC's budget will accurately reflect the salary differentials.

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. The recreational marijuana program will pay its proportional share of costs for the salary adjustment. No salary adjustment is needed for the OMMP tracking program as those regulatory specialists were hired at Level 27.

# BUDGET NARRATIVE

## Bottle Bill Regulation & Funding

**OLCC 19-21 Agency Request Budget**

**Policy Option Package No. 215, Agency Priority No 15**

### A. PACKAGE PURPOSE

OLCC administers Oregon's Bottle Bill, which touches nearly every person in the state. The one staff member currently in the Bottle Bill Program performs all the duties associated with administering the Bottle Bill. The primary responsibility OLCC has for the bottle bill are to approve redemption centers and participating retailer agreements, approving changes to redemption center agreements, and ensuring all retailers and redemption centers meet their responsibility for bottle redemptions in conformance with state law.

On April 1, 2017, the refund value for empty beverage containers increased from 5 cents to 10 cents. Further, per statutory requirements, the types of beverages included in the Bottle Bill expanded to include more types of beverages on January 1, 2018. These changes increased interest in redeeming containers. This has resulted in a drastic increase in the number of questions and complaints from both impacted stores and the public about the Bottle Bill. Responding to these questions and complaints leaves little time for the Compliance Specialist to perform higher level compliance and oversight functions.

### B. HOW ACHIEVED

**OLCC requests addition of one Administrative Specialist 1** position in the Bottle Bill Program to provide support to the Bottle Bill Compliance Specialist in performing duties related to Bottle Bill public information and compliance. OLCC will create a new position in the Bottle Bill Program to field questions and complaints and provide general support to the Compliance Specialist. Duties performed by the AS1 may include responding to questions and complaints, sending correspondence and signage to retailers, tracking complaints, providing Bottle Bill orientation materials to new retailers, creating and posting public notices regarding redemption center applications, compiling public comment on proposed redemption centers, and preparing notices to retailers that are non-compliant with redemption center requirements.

OLCC is proposing legislation that will require redemption centers to register with the Commission and be charged an annual fee of $3,000. The fee will help cover the costs for administration of the bottle bill including the requested new position. The fee is expected to generate about $78,000 in the next biennium based on the current number of redemption centers. This revenue will grow as new redemption centers are opened around the state.

# BUDGET NARRATIVE

**Bottle Bill Regulation & Funding**

**OLCC 2019-21 Agency Request Policy Option Package No. 215**

| Division | Package Description | FTE | One-time | Ongoing | Total |
|---|---|---|---|---|---|
| | **Bottle Bill Regulation & Funding** | | | | |
| | **Regulation** | | | | |
| Publice Safety | Add 1 Administrative Specialist 2 for Bottle Bill administration | 1.00 | | $138,487 | $138,487 |
| | Services & Supplies, including office space @ $17,368 per employee | | $2,767 | $23,368 | $26,135 |
| | Work station furniture & chair | | $7,695 | | $7,695 |
| | **Expenditures** | 1.00 | $10,462 | $161,855 | $172,317 |
| | **Funding** | | | | |
| Publice Safety | Establish Fee for Redemption Centers for Regulation & Compliance | | | ($78,000) | ($78,000) |
| | | 0.00 | $0 | ($78,000) | ($78,000) |
| ***Subtotal - Bottle Bill Regulation & Funding - Package 215*** | | ***1.00*** | ***$10,462*** | ***$83,855*** | ***$94,317*** |

**a. Benefits to stakeholders**

Oregon citizens and beverage retailers will receive better, more timely service.

**b. Benefits to OLCC**

The OLCC Bottle Bill Program will be able to operate more efficiently and provide a higher level of service. This will reduce delays in responding to both public and industry concerns and enable the Compliance Specialist to investigate problems, provide education and work with all parties to improve the statewide goals of redeeming returnable containers.

## C. STAFFING IMPACT

The package adds one position to OLCC.

## D. QUANTIFYING RESULTS

Staff will be able to timely respond to questions and concerns, as the AS1 position will be charged with triaging concerns and providing clerical service currently being provided by the Compliance Specialist. This will enable the Compliance Specialist to correspond with higher level issues and provide education to beverage retailers. This will improve understanding and compliance with the Bottle Bill. Having an AS1 perform more basic Bottle Bill duties will allow the Compliance Specialist to perform at a higher level, including on-site compliance checks at redemption centers and retailers, providing training opportunities to manufacturers, distributors, retailers and OLCC staff, and ensuring retailers in redemption center zones are compliant.

## E. REVENUE SOURCE

The Oregon Liquor Control Commission is 100 percent other funded and generates revenues from the sale of distilled spirits, license fees from alcohol and marijuana, taxes paid on sales of beer and wine and other miscellaneous revenue sources. The OLCC collects this in accordance with ORS Chapter 471, 473, and 475B. OLCC is proposing legislation to assess a $3,000 annual registration fee for each redemption center to support the ongoing works that a redemption center causes OLCC. The owners of the redemption centers would remit the fee on an annual basis to OLCC.

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Transfer In - Intrafund | - | - | - | - | - | - | - |
| **Total Revenues** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Personal Services** | | | | | | | |
| Pension Obligation Bond | - | - | 178,167 | - | - | - | 178,167 |
| Mass Transit Tax | - | - | 13,816 | - | - | - | 13,816 |
| Vacancy Savings | - | - | 418,112 | - | - | - | 418,112 |
| **Total Personal Services** | **-** | **-** | **$610,095** | **-** | **-** | **-** | **$610,095** |
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | 610,095 | - | - | - | 610,095 |
| **Total Expenditures** | **-** | **-** | **$610,095** | **-** | **-** | **-** | **$610,095** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | (610,095) | - | - | - | (610,095) |
| **Total Ending Balance** | **-** | **-** | **($610,095)** | **-** | **-** | **-** | **($610,095)** |

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 022 - Phase-out Pgm & One-time Costs**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Transfer In - Intrafund | - | - | - | - | - | - | - |
| **Total Revenues** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Services & Supplies** | | | | | | | |
| Office Expenses | - | - | (17,000) | - | - | - | (17,000) |
| Agency Program Related S and S | - | - | (25,000) | - | - | - | (25,000) |
| **Total Services & Supplies** | **-** | **-** | **($42,000)** | **-** | **-** | **-** | **($42,000)** |
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | (42,000) | - | - | - | (42,000) |
| **Total Expenditures** | **-** | **-** | **($42,000)** | **-** | **-** | **-** | **($42,000)** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | 42,000 | - | - | - | 42,000 |
| **Total Ending Balance** | **-** | **-** | **$42,000** | **-** | **-** | **-** | **$42,000** |

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 031 - Standard Inflation**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Transfer In - Intrafund | - | - | - | - | - | - | - |
| **Total Revenues** | - | - | - | - | - | - | - |
| **Services & Supplies** | | | | | | | |
| Instate Travel | - | - | 8,092 | - | - | - | 8,092 |
| Out of State Travel | - | - | 477 | - | - | - | 477 |
| Employee Training | - | - | 9,824 | - | - | - | 9,824 |
| Office Expenses | - | - | 11,597 | - | - | - | 11,597 |
| Telecommunications | - | - | 10,977 | - | - | - | 10,977 |
| State Gov. Service Charges | - | - | 76,699 | - | - | - | 76,699 |
| Data Processing | - | - | 1,104 | - | - | - | 1,104 |
| Publicity and Publications | - | - | 2,299 | - | - | - | 2,299 |
| Professional Services | - | - | 12,445 | - | - | - | 12,445 |
| IT Professional Services | - | - | 2,972 | - | - | - | 2,972 |
| Employee Recruitment and Develop | - | - | 328 | - | - | - | 328 |
| Dues and Subscriptions | - | - | 348 | - | - | - | 348 |
| Facilities Rental and Taxes | - | - | 17,947 | - | - | - | 17,947 |
| Fuels and Utilities | - | - | 849 | - | - | - | 849 |
| Facilities Maintenance | - | - | 679 | - | - | - | 679 |
| Agency Program Related S and S | - | - | 1,564 | - | - | - | 1,564 |
| Other Services and Supplies | - | - | 440 | - | - | - | 440 |
| IT Expendable Property | - | - | 1,168 | - | - | - | 1,168 |
| **Total Services & Supplies** | - | - | **$159,809** | - | - | - | **$159,809** |

## *ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY*

**Oregon Liquor Control Comm**
**Pkg: 031 - Standard Inflation**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| ***Description*** | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | 159,809 | - | - | - | 159,809 |
| **Total Expenditures** | **-** | **-** | **$159,809** | **-** | **-** | **-** | **$159,809** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | (159,809) | - | - | - | (159,809) |
| **Total Ending Balance** | **-** | **-** | **($159,809)** | **-** | **-** | **-** | **($159,809)** |

## *ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY*

**Oregon Liquor Control Comm**
**Pkg: 032 - Above Standard Inflation**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| ***Description*** | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Transfer In - Intrafund | - | - | - | - | - | - | - |
| **Total Revenues** | - | - | - | - | - | - | - |
| **Services & Supplies** | | | | | | | |
| Professional Services | - | - | - | - | - | - | - |
| IT Professional Services | - | - | - | - | - | - | - |
| **Total Services & Supplies** | - | - | - | - | - | - | - |
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | - | - | - | - | - |
| **Total Expenditures** | - | - | - | - | - | - | - |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | - | - | - | - | - |
| **Total Ending Balance** | - | - | - | - | - | - | - |

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 203 - License Fees Increase**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Business Lic and Fees | - | - | 9,172,403 | - | - | - | 9,172,403 |
| **Total Revenues** | **-** | **-** | **$9,172,403** | **-** | **-** | **-** | **$9,172,403** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | 9,172,403 | - | - | - | 9,172,403 |
| **Total Ending Balance** | **-** | **-** | **$9,172,403** | **-** | **-** | **-** | **$9,172,403** |

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 205 - Statewide Dispatch Services**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Transfers Out** | | | | | | | |
| Tsfr To Police, Dept of State | - | - | - | - | - | - | - |
| **Total Transfers Out** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Services & Supplies** | | | | | | | |
| Telecommunications | - | - | 584,916 | - | - | - | 584,916 |
| **Total Services & Supplies** | **-** | **-** | **$584,916** | **-** | **-** | **-** | **$584,916** |
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | 584,916 | - | - | - | 584,916 |
| **Total Expenditures** | **-** | **-** | **$584,916** | **-** | **-** | **-** | **$584,916** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | (584,916) | - | - | - | (584,916) |
| **Total Ending Balance** | **-** | **-** | **($584,916)** | **-** | **-** | **-** | **($584,916)** |

## *ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY*

**Oregon Liquor Control Comm**
**Pkg: 206 - Licensing Staff Fulfillment**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| ***Description*** | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Personal Services** | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | 673,632 | - | - | - | 673,632 |
| Empl. Rel. Bd. Assessments | - | - | 427 | - | - | - | 427 |
| Public Employees' Retire Cont | - | - | 121,860 | - | - | - | 121,860 |
| Social Security Taxes | - | - | 51,533 | - | - | - | 51,533 |
| Worker's Comp. Assess. (WCD) | - | - | 406 | - | - | - | 406 |
| Mass Transit Tax | - | - | 4,042 | - | - | - | 4,042 |
| Flexible Benefits | - | - | 246,288 | - | - | - | 246,288 |
| **Total Personal Services** | **-** | **-** | **$1,098,188** | **-** | **-** | **-** | **$1,098,188** |
| **Services & Supplies** | | | | | | | |
| Employee Training | - | - | 7,000 | - | - | - | 7,000 |
| Office Expenses | - | - | 7,000 | - | - | - | 7,000 |
| Telecommunications | - | - | 14,000 | - | - | - | 14,000 |
| Data Processing | - | - | 10,500 | - | - | - | 10,500 |
| Facilities Rental and Taxes | - | - | 121,576 | - | - | - | 121,576 |
| Other Services and Supplies | - | - | 7,000 | - | - | - | 7,000 |
| IT Expendable Property | - | - | 15,869 | - | - | - | 15,869 |
| **Total Services & Supplies** | **-** | **-** | **$182,945** | **-** | **-** | **-** | **$182,945** |
| **Capital Outlay** | | | | | | | |
| Office Furniture and Fixtures | - | - | 53,865 | - | - | - | 53,865 |
| Automotive and Aircraft | - | - | - | - | - | - | - |
| **Total Capital Outlay** | **-** | **-** | **$53,865** | **-** | **-** | **-** | **$53,865** |

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 206 - Licensing Staff Fulfillment**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | 1,334,998 | - | - | - | 1,334,998 |
| **Total Expenditures** | **-** | **-** | **$1,334,998** | **-** | **-** | **-** | **$1,334,998** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | (1,334,998) | - | - | - | (1,334,998) |
| **Total Ending Balance** | **-** | **-** | **($1,334,998)** | **-** | **-** | **-** | **($1,334,998)** |
| **Total Positions** | | | | | | | |
| Total Positions | | | | | | | 7 |
| **Total Positions** | **-** | **-** | **-** | **-** | **-** | **-** | **7** |
| **Total FTE** | | | | | | | |
| Total FTE | | | | | | | 7.00 |
| **Total FTE** | **-** | **-** | **-** | **-** | **-** | **-** | **7.00** |

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 207 - Public Safety Staff Fulfillment**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Personal Services** | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | 226,752 | - | - | - | 226,752 |
| Empl. Rel. Bd. Assessments | - | - | 122 | - | - | - | 122 |
| Public Employees' Retire Cont | - | - | 41,020 | - | - | - | 41,020 |
| Social Security Taxes | - | - | 17,346 | - | - | - | 17,346 |
| Worker's Comp. Assess. (WCD) | - | - | 116 | - | - | - | 116 |
| Mass Transit Tax | - | - | 1,360 | - | - | - | 1,360 |
| Flexible Benefits | - | - | 70,368 | - | - | - | 70,368 |
| **Total Personal Services** | **-** | **-** | **$357,084** | **-** | **-** | **-** | **$357,084** |
| **Services & Supplies** | | | | | | | |
| Instate Travel | - | - | 6,000 | - | - | - | 6,000 |
| Employee Training | - | - | 12,334 | - | - | - | 12,334 |
| Office Expenses | - | - | 1,000 | - | - | - | 1,000 |
| Telecommunications | - | - | 119,180 | - | - | - | 119,180 |
| Data Processing | - | - | 2,000 | - | - | - | 2,000 |
| Facilities Rental and Taxes | - | - | 34,736 | - | - | - | 34,736 |
| Agency Program Related S and S | - | - | 307,776 | - | - | - | 307,776 |
| Other Services and Supplies | - | - | 1,000 | - | - | - | 1,000 |
| IT Expendable Property | - | - | 4,534 | - | - | - | 4,534 |
| **Total Services & Supplies** | **-** | **-** | **$488,560** | **-** | **-** | **-** | **$488,560** |
| **Capital Outlay** | | | | | | | |
| Office Furniture and Fixtures | - | - | 15,390 | - | - | - | 15,390 |

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 207 - Public Safety Staff Fulfillment**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Capital Outlay** | | | | | | | |
| Automotive and Aircraft | - | - | 56,666 | - | - | - | 56,666 |
| **Total Capital Outlay** | **-** | **-** | **$72,056** | **-** | **-** | **-** | **$72,056** |
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | 917,700 | - | - | - | 917,700 |
| **Total Expenditures** | **-** | **-** | **$917,700** | **-** | **-** | **-** | **$917,700** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | (917,700) | - | - | - | (917,700) |
| **Total Ending Balance** | **-** | **-** | **($917,700)** | **-** | **-** | **-** | **($917,700)** |
| **Total Positions** | | | | | | | |
| Total Positions | | | | | | | 2 |
| **Total Positions** | **-** | **-** | **-** | **-** | **-** | **-** | **2** |
| **Total FTE** | | | | | | | |
| Total FTE | | | | | | | 2.00 |
| **Total FTE** | **-** | **-** | **-** | **-** | **-** | **-** | **2.00** |

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 209 - Regulatory Specialist Reclass**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Personal Services** | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | 320,256 | - | - | - | 320,256 |
| Public Employees' Retire Cont | - | - | 57,937 | - | - | - | 57,937 |
| Social Security Taxes | - | - | 24,501 | - | - | - | 24,501 |
| Mass Transit Tax | - | - | 1,923 | - | - | - | 1,923 |
| **Total Personal Services** | **-** | **-** | **$404,617** | **-** | **-** | **-** | **$404,617** |
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | 404,617 | - | - | - | 404,617 |
| **Total Expenditures** | **-** | **-** | **$404,617** | **-** | **-** | **-** | **$404,617** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | (404,617) | - | - | - | (404,617) |
| **Total Ending Balance** | **-** | **-** | **($404,617)** | **-** | **-** | **-** | **($404,617)** |

# ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 215 - Bottle Bill Regulation & Funding**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Business Lic and Fees | - | - | 78,000 | - | - | - | 78,000 |
| **Total Revenues** | **-** | **-** | **$78,000** | **-** | **-** | **-** | **$78,000** |
| **Personal Services** | | | | | | | |
| Class/Unclass Sal. and Per Diem | - | - | 81,672 | - | - | - | 81,672 |
| Empl. Rel. Bd. Assessments | - | - | 61 | - | - | - | 61 |
| Public Employees' Retire Cont | - | - | 14,774 | - | - | - | 14,774 |
| Social Security Taxes | - | - | 6,248 | - | - | - | 6,248 |
| Worker's Comp. Assess. (WCD) | - | - | 58 | - | - | - | 58 |
| Mass Transit Tax | - | - | 490 | - | - | - | 490 |
| Flexible Benefits | - | - | 35,184 | - | - | - | 35,184 |
| **Total Personal Services** | **-** | **-** | **$138,487** | **-** | **-** | **-** | **$138,487** |
| **Services & Supplies** | | | | | | | |
| Employee Training | - | - | 1,000 | - | - | - | 1,000 |
| Office Expenses | - | - | 1,000 | - | - | - | 1,000 |
| Telecommunications | - | - | 2,000 | - | - | - | 2,000 |
| Data Processing | - | - | 1,500 | - | - | - | 1,500 |
| Facilities Rental and Taxes | - | - | 17,368 | - | - | - | 17,368 |
| Other Services and Supplies | - | - | 1,000 | - | - | - | 1,000 |
| IT Expendable Property | - | - | 2,267 | - | - | - | 2,267 |
| **Total Services & Supplies** | **-** | **-** | **$26,135** | **-** | **-** | **-** | **$26,135** |

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Oregon Liquor Control Comm**
**Pkg: 215 - Bottle Bill Regulation & Funding**

**Cross Reference Name: Public Safety Services Program**
**Cross Reference Number: 84500-002-00-00-00000**

| Description | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | All Funds |
|---|---|---|---|---|---|---|---|
| **Capital Outlay** | | | | | | | |
| Office Furniture and Fixtures | - | - | 7,695 | - | - | - | 7,695 |
| **Total Capital Outlay** | **-** | **-** | **$7,695** | **-** | **-** | **-** | **$7,695** |
| **Total Expenditures** | | | | | | | |
| Total Expenditures | - | - | 172,317 | - | - | - | 172,317 |
| **Total Expenditures** | **-** | **-** | **$172,317** | **-** | **-** | **-** | **$172,317** |
| **Ending Balance** | | | | | | | |
| Ending Balance | - | - | (94,317) | - | - | - | (94,317) |
| **Total Ending Balance** | **-** | **-** | **($94,317)** | **-** | **-** | **-** | **($94,317)** |
| **Total Positions** | | | | | | | |
| Total Positions | | | | | | | 1 |
| **Total Positions** | **-** | **-** | **-** | **-** | **-** | **-** | **1** |
| **Total FTE** | | | | | | | |
| Total FTE | | | | | | | 1.00 |
| **Total FTE** | **-** | **-** | **-** | **-** | **-** | **-** | **1.00** |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 000 - BASE BUDGET

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4500052 | MMS X7006 | AP PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 09 | 8,332.00 | | 199,968<br>86,775 | | | 199,968<br>86,775 |
| 4500054 | AL C0107 | AP ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 02 | 3,000.00 | | 72,000<br>53,836 | | | 72,000<br>53,836 |
| 4500058 | AL C0107 | AP ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 04 | 3,262.00 | | 78,288<br>55,454 | | | 78,288<br>55,454 |
| 4500091 | AL C0104 | AP OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 04 | 3,064.00 | | 73,536<br>54,232 | | | 73,536<br>54,232 |
| 4500116 | AL C0104 | AP OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 04 | 3,064.00 | | 73,536<br>54,232 | | | 73,536<br>54,232 |
| 4500156 | AL C0104 | AP OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 06 | 3,333.00 | | 79,992<br>55,893 | | | 79,992<br>55,893 |
| 4500157 | AL C0108 | AP ADMIN SPECIALIST 2 | 20Q | PF | 1 | 1.00 | 24.00 | 09 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4500158 | AL C0107 | AP ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 09 | 4,103.00 | | 98,472<br>60,650 | | | 98,472<br>60,650 |
| 4500507 | AL C0108 | AP ADMIN SPECIALIST 2 | 20Q | PF | 1 | 1.00 | 24.00 | 07 | 4,291.00 | | 102,984<br>61,811 | | | 102,984<br>61,811 |
| 4500511 | AL C5732 | AP LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4500512 | AL C0103 | AP OFFICE SPECIALIST 1 | 12C | PF | 1 | 1.00 | 24.00 | 06 | 3,064.00 | | 73,536<br>54,232 | | | 73,536<br>54,232 |
| 4500517 | MESNZ7008 | AP PRIN EXEC/MANAGER E | 33X | PF | 1 | 1.00 | 24.00 | 07 | 8,332.00 | | 199,968<br>86,775 | | | 199,968<br>86,775 |
| 4500519 | AL C5732 | AP LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 06 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 4500525 | AL C5732 | AP LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4500531 | AL C5732 | AP LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 05 | 4,948.00 | | 118,752<br>65,869 | | | 118,752<br>65,869 |
| 4500602 | AL C0108 | AP ADMIN SPECIALIST 2 | 20Q | PF | 1 | 1.00 | 24.00 | 07 | 4,291.00 | | 102,984<br>61,811 | | | 102,984<br>61,811 |

11.00 x 8.50 in

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 000 - BASE BUDGET

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4500606 | AL C0107 AP | ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 02 | 3,000.00 | | 72,000<br>53,836 | | | 72,000<br>53,836 |
| 4500624 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4500631 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4500651 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4500685 | AL C5248 AP | COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 03 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4500734 | MMS X7006 AP | PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 09 | 8,332.00 | | 199,968<br>86,775 | | | 199,968<br>86,775 |
| 4500906 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 02 | 4,292.00 | | 103,008<br>61,817 | | | 103,008<br>61,817 |
| 4600117 | AL C0107 AP | ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 09 | 4,103.00 | | 98,472<br>60,650 | | | 98,472<br>60,650 |
| 4600611 | AL C5248 AP | COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 08 | 6,901.00 | | 165,624<br>77,934 | | | 165,624<br>77,934 |
| 4600850 | AL C5248 AP | COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 09 | 7,242.00 | | 173,808<br>80,041 | | | 173,808<br>80,041 |
| 4700035 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700036 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700037 | AL C0107 AP | ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 04 | 3,262.00 | | 78,288<br>55,454 | | | 78,288<br>55,454 |
| 4700040 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700041 | MMS X7006 AP | PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 09 | 8,332.00 | | 199,968<br>86,775 | | | 199,968<br>86,775 |
| 4700042 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 08 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 000 - BASE BUDGET

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700043 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700045 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700047 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700048 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700049 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 07 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700054 | MMS X7006 AP | PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 05 | 6,862.00 | | 164,688<br>77,694 | | | 164,688<br>77,694 |
| 4700055 | AL C0107 AP | ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 02 | 3,000.00 | | 72,000<br>53,836 | | | 72,000<br>53,836 |
| 4700060 | MMS X7006 AP | PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 02 | 5,937.00 | | 142,488<br>71,979 | | | 142,488<br>71,979 |
| 4700072 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 07 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700073 | AL C0107 AP | ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 04 | 3,262.00 | | 78,288<br>55,454 | | | 78,288<br>55,454 |
| 4700076 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700078 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700089 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 02 | 4,292.00 | | 103,008<br>61,817 | | | 103,008<br>61,817 |
| 4700161 | AL C0107 AP | ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 09 | 4,103.00 | | 98,472<br>60,650 | | | 98,472<br>60,650 |
| 4700594 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 08 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 4700599 | AL C0108 AP | ADMIN SPECIALIST 2 | 20Q | PF | 1 | 1.00 | 24.00 | 02 | 3,403.00 | | 81,672<br>56,325 | | | 81,672<br>56,325 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 10
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 000 - BASE BUDGET

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700520 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 08 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 4700521 | MMS X7006 AP | PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 09 | 8,332.00 | | 199,968<br>86,775 | | | 199,968<br>86,775 |
| 4700522 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700524 | AL C5248 AP | COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 09 | 7,242.00 | | 173,808<br>80,041 | | | 173,808<br>80,041 |
| 4700526 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700527 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 07 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700529 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700530 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700532 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700536 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 04 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700542 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700544 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700545 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 04 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700547 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 07 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700549 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 08 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 4700550 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 05 | 4,948.00 | | 118,752<br>65,869 | | | 118,752<br>65,869 |

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97/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 11
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 000 - BASE BUDGET

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700551 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 05 | 4,948.00 | | 118,752<br>65,869 | | | 118,752<br>65,869 |
| 4700552 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700553 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 04 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700554 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700556 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 08 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 4700560 | AL C0104 AP | OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 02 | 2,831.00 | | 67,944<br>52,792 | | | 67,944<br>52,792 |
| 4700585 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 06 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 4700607 | MESNZ7010 AP | PRIN EXEC/MANAGER F | 35X | PF | 1 | 1.00 | 24.00 | 09 | 10,121.00 | | 242,904<br>97,826 | | | 242,904<br>97,826 |
| 4700621 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 08 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 4700627 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 05 | 4,948.00 | | 118,752<br>65,869 | | | 118,752<br>65,869 |
| 4700629 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 05 | 4,948.00 | | 118,752<br>65,869 | | | 118,752<br>65,869 |
| 4700634 | AL C5732 AP | LICENSING SPEC | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700652 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 02 | 4,292.00 | | 103,008<br>61,817 | | | 103,008<br>61,817 |
| 4700653 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700654 | AL C0108 AP | ADMIN SPECIALIST 2 | 20Q | PF | 1 | 1.00 | 24.00 | 02 | 3,403.00 | | 81,672<br>56,325 | | | 81,672<br>56,325 |
| 4700660 | MMS X7006 AP | PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 04 | 6,542.00 | | 157,008<br>75,717 | | | 157,008<br>75,717 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 12
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 000 - BASE BUDGET

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700750 | MMS X7006 AP | PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 09 | 8,332.00 | | 199,968<br>86,775 | | | 199,968<br>86,775 |
| 4700752 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 06 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 4700785 | AL C0104 AP | OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 02 | 2,831.00 | | 67,944<br>52,792 | | | 67,944<br>52,792 |
| 4700876 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700877 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 02 | 4,292.00 | | 103,008<br>61,817 | | | 103,008<br>61,817 |
| 4700878 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 04 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700879 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 06 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 4700880 | AL C5248 AP | COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 05 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700903 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700904 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 02 | 4,292.00 | | 103,008<br>61,817 | | | 103,008<br>61,817 |
| 4700905 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1 | 1.00 | 24.00 | 09 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700935 | AL C0104 AP | OFFICE SPECIALIST 2 | 15C | PF | 1 | .50 | 12.00 | 09 | 3,827.00 | | 45,924<br>47,124 | | | 45,924<br>47,124 |
| 4700936 | AL C0104 AP | OFFICE SPECIALIST 2 | 15C | PF | 1 | .50 | 12.00 | 09 | 3,827.00 | | 45,924<br>47,124 | | | 45,924<br>47,124 |
| 4700937 | AL C0104 AP | OFFICE SPECIALIST 2 | 15C | PF | 1 | .50 | 12.00 | 06 | 3,333.00 | | 39,996<br>45,598 | | | 39,996<br>45,598 |
| 4700938 | AL C0104 AP | OFFICE SPECIALIST 2 | 15C | PF | 1 | .50 | 12.00 | 09 | 3,827.00 | | 45,924<br>47,124 | | | 45,924<br>47,124 |
| 5500059 | AL C0871 AP | OPS/POLICY ANALYST 2 | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 13
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 000 - BASE BUDGET

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5500064 | AL C5248 | AP COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 05 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 5500087 | AL C0107 | AP ADMIN SPECIALIST 1 | 17 | PF | 1 | 1.00 | 24.00 | 06 | 3,563.00 | | 85,512<br>57,314 | | | 85,512<br>57,314 |
| 5500093 | AL C5248 | AP COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 06 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 5500150 | MESNZ7008 | AP PRIN EXEC/MANAGER E | 33X | PF | 1 | 1.00 | 24.00 | 09 | 9,177.00 | | 220,248<br>91,995 | | | 220,248<br>91,995 |
| 5500403 | AL C5248 | AP COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 04 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 5500404 | AL C5248 | AP COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 02 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 5500506 | AL C0108 | AP ADMIN SPECIALIST 2 | 20Q | PF | 1 | 1.00 | 24.00 | 08 | 4,509.00 | | 108,216<br>63,158 | | | 108,216<br>63,158 |
| 5500561 | MMN X0872 | AP OPS/POLICY ANALYST 3 | 30 | PF | 1 | 1.00 | 24.00 | 06 | 7,208.00 | | 172,992<br>79,831 | | | 172,992<br>79,831 |
| 5500604 | AL C5248 | AP COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 09 | 7,242.00 | | 173,808<br>80,041 | | | 173,808<br>80,041 |
| 5500625 | AL C5248 | AP COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 06 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 5500650 | AL C5248 | AP COMPLIANCE SPEC 3 | 29 | PF | 1 | 1.00 | 24.00 | 05 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 8000401 | MESNZ7012 | AP PRIN EXEC/MANAGER G | 38X | PF | 1 | 1.00 | 24.00 | 02 | 8,332.00 | | 199,968<br>86,775 | | | 199,968<br>86,775 |
| | | TOTAL PICS SALARY | | | | | | | | | 13,889,664 | | | 13,889,664 |
| | | TOTAL PICS OPE | | | | | | | | | 7,387,932 | | | 7,387,932 |
| | | TOTAL PICS PERSONAL SERVICES = | | | 108 | 106.00 | 2544.00 | | | | 21,277,596 | | | 21,277,596 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. - PPDB PICS SYSTEM PAGE 14
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 206 - Licensing Staff Fulfillment

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4500125 | AL C0108 | AP ADMIN SPECIALIST 2 | 20Q | LF | 1 | 1.00 | 24.00 | 02 | 3,403.00 | | 81,672<br>56,325 | | | 81,672<br>56,325 |
| 4500126 | MMS X7002 | AP PRIN EXEC/MANAGER B | 26X | PF | 1 | 1.00 | 24.00 | 02 | 4,666.00 | | 111,984<br>64,128 | | | 111,984<br>64,128 |
| 4500127 | AL C0871 | AP OPS/POLICY ANALYST 2 | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4500128 | AL C0104 | AP OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 02 | 2,831.00 | | 67,944<br>52,792 | | | 67,944<br>52,792 |
| 4500129 | AL C0104 | AP OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 02 | 2,831.00 | | 67,944<br>52,792 | | | 67,944<br>52,792 |
| 4500130 | AL C0104 | AP OFFICE SPECIALIST 2 | 15C | PF | 1 | 1.00 | 24.00 | 02 | 2,831.00 | | 67,944<br>52,792 | | | 67,944<br>52,792 |
| 4500178 | MMS X7006 | AP PRIN EXEC/MANAGER D | 31X | PF | 1 | 1.00 | 24.00 | 02 | 5,937.00 | | 142,488<br>71,979 | | | 142,488<br>71,979 |
| 4500517 | MESNZ7008 | AP PRIN EXEC/MANAGER E | 33X | PF | 1- | 1.00- | 24.00- | 07 | 8,332.00 | | 199,968-<br>86,775- | | | 199,968-<br>86,775- |
| 4500517 | MESNZ7010 | AP PRIN EXEC/MANAGER F | 35X | PF | 1 | 1.00 | 24.00 | 07 | 9,177.00 | | 220,248<br>91,995 | | | 220,248<br>91,995 |
| | | TOTAL PICS SALARY | | | | | | | | | 673,632 | | | 673,632 |
| | | TOTAL PICS OPE | | | | | | | | | 420,514 | | | 420,514 |
| | | TOTAL PICS PERSONAL SERVICES = | | | 7 | 7.00 | 168.00 | | | | 1,094,146 | | | 1,094,146 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 15
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 207 - Public Safety Staff Fulfillmen

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700131 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376 | | | 113,376 |
| | | | | | | | | | | | 64,486 | | | 64,486 |
| 4700132 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376 | | | 113,376 |
| | | | | | | | | | | | 64,486 | | | 64,486 |
| | | TOTAL PICS SALARY | | | | | | | | | 226,752 | | | 226,752 |
| | | TOTAL PICS OPE | | | | | | | | | 128,972 | | | 128,972 |
| | | TOTAL PICS PERSONAL SERVICES - | | | 2 | 2.00 | 48.00 | | | | 355,724 | | | 355,724 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 16
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 209 - Regulatory Specialist Reclass

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700035 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700035 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700036 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700036 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700040 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700040 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700042 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 08 | 5,706.00 | | 136,944-<br>70,552- | | | 136,944-<br>70,552- |
| 4700042 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700043 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700043 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700045 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700045 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 09 | 6,585.00 | | 158,040<br>75,983 | | | 158,040<br>75,983 |
| 4700048 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700048 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700049 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 07 | 5,437.00 | | 130,488-<br>68,890- | | | 130,488-<br>68,890- |
| 4700049 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 06 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 17
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 209 - Regulatory Specialist Reclass

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700072 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 07 | 5,437.00 | | 130,488-<br>68,890- | | | 130,488-<br>68,890- |
| 4700072 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 06 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 4700076 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700076 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700078 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700078 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 09 | 6,585.00 | | 158,040<br>75,983 | | | 158,040<br>75,983 |
| 4700089 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 02 | 4,292.00 | | 103,008-<br>61,817- | | | 103,008-<br>61,817- |
| 4700089 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700520 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 08 | 5,706.00 | | 136,944-<br>70,552- | | | 136,944-<br>70,552- |
| 4700520 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 07 | 5,988.00 | | 143,712<br>72,295 | | | 143,712<br>72,295 |
| 4700522 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700522 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 09 | 6,585.00 | | 158,040<br>75,983 | | | 158,040<br>75,983 |
| 4700526 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295 | | | 143,712-<br>72,295- |
| 4700526 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 09 | 6,585.00 | | 158,040<br>75,983 | | | 158,040<br>75,983 |
| 4700527 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 07 | 5,437.00 | | 130,488-<br>68,890- | | | 130,488-<br>68,890- |
| 4700527 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 06 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 18
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 209 - Regulatory Specialist Reclass

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700529 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700529 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700530 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700530 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700544 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700544 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700545 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 04 | 4,724.00 | | 113,376-<br>64,486- | | | 113,376-<br>64,486- |
| 4700545 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 03 | 4,948.00 | | 118,752<br>65,869 | | | 118,752<br>65,869 |
| 4700547 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 07 | 5,437.00 | | 130,488-<br>68,890- | | | 130,488-<br>68,890- |
| 4700547 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 06 | 5,706.00 | | 136,944<br>70,552 | | | 136,944<br>70,552 |
| 4700550 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 05 | 4,948.00 | | 118,752-<br>65,869- | | | 118,752-<br>65,869- |
| 4700550 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 05 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700551 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 05 | 4,948.00 | | 118,752-<br>65,869- | | | 118,752-<br>65,869- |
| 4700551 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 04 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 4700552 | AL C5723 | AP LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700552 | AL C5733 | AP REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |

11.00 x 8.50 in

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. - PPDB PICS SYSTEM PAGE 19
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 209 - Regulatory Specialist Reclass

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700556 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 08 | 5,706.00 | | 136,944-<br>70,552- | | | 136,944-<br>70,552- |
| 4700556 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700585 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 06 | 5,188.00 | | 124,512-<br>67,352- | | | 124,512-<br>67,352- |
| 4700585 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 05 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700627 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 05 | 4,948.00 | | 118,752-<br>65,869- | | | 118,752-<br>65,869- |
| 4700627 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 04 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 4700629 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 05 | 4,948.00 | | 118,752-<br>65,869- | | | 118,752-<br>65,869- |
| 4700629 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 04 | 5,188.00 | | 124,512<br>67,352 | | | 124,512<br>67,352 |
| 4700652 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 02 | 4,292.00 | | 103,008-<br>61,817- | | | 103,008-<br>61,817- |
| 4700652 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700653 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700653 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700752 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 06 | 5,188.00 | | 124,512-<br>67,352- | | | 124,512-<br>67,352- |
| 4700752 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 05 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700876 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700876 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. - PPDB PICS SYSTEM PAGE 20
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 209 - Regulatory Specialist Reclass

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4700877 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 02 | 4,292.00 | | 103,008-<br>61,817- | | | 103,008-<br>61,817- |
| 4700877 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700878 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 04 | 4,724.00 | | 113,376-<br>64,486- | | | 113,376-<br>64,486- |
| 4700878 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 03 | 4,948.00 | | 118,752<br>65,869 | | | 118,752<br>65,869 |
| 4700879 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 06 | 5,188.00 | | 124,512-<br>67,352- | | | 124,512-<br>67,352- |
| 4700879 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 05 | 5,437.00 | | 130,488<br>68,890 | | | 130,488<br>68,890 |
| 4700903 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700903 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 08 | 6,275.00 | | 150,600<br>74,068 | | | 150,600<br>74,068 |
| 4700904 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 02 | 4,292.00 | | 103,008-<br>61,817- | | | 103,008-<br>61,817- |
| 4700904 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 02 | 4,724.00 | | 113,376<br>64,486 | | | 113,376<br>64,486 |
| 4700905 | AL C5723 AP | LIQUOR REG SPECIALST | 25 | PF | 1- | 1.00- | 24.00- | 09 | 5,988.00 | | 143,712-<br>72,295- | | | 143,712-<br>72,295- |
| 4700905 | AL C5733 AP | REGULATORY SPEC | 27 | PF | 1 | 1.00 | 24.00 | 09 | 6,585.00 | | 158,040<br>75,983 | | | 158,040<br>75,983 |
| | | TOTAL PICS SALARY | | | | | | | | | 320,256 | | | 320,256 |
| | | TOTAL PICS OPE | | | | | | | | | 82,438 | | | 82,438 |
| | TOTAL PICS PERSONAL SERVICES = | | | | | .00 | .00 | | | | 402,694 | | | 402,694 |

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07/20/18 REPORT NO.: PICSAUDIT1 DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 21
REPORT: SABRS PICS PKG FISCAL IMPACT REPORT 2019-21 PROD FILE
AGENCY:84500 LIQUOR CONTROL COMMISSION PICS SYSTEM: BUDGET PREPARATION
SUMMARY XREF:002-00-00 Public Safety Services Program PACKAGE: 215 - Bottle Bill Regulation & Fundi

| POSITION NUMBER | CLASS COMP | CLASS NAME | SR | POS TYP | POS CNT | FTE | MOS | STEP | RATE | GF SAL/OPE | OF SAL/OPE | FF SAL/OPE | LF SAL/OPE | AF SAL/OPE |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5500053 | AL C0108 | AP ADMIN SPECIALIST 2 | 20Q | PF | 1 | 1.00 | 24.00 | 02 | 3,403.00 | | 81,672 | | | 81,672 |
| | | | | | | | | | | | 56,325 | | | 56,325 |
| | | TOTAL PICS SALARY | | | | | | | | | 81,672 | | | 81,672 |
| | | TOTAL PICS OPE | | | | | | | | | 56,325 | | | 56,325 |
| | | TOTAL PICS PERSONAL SERVICES = | | | 1 | 1.00 | 24.00 | | | | 137,997 | | | 137,997 |

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

**Oregon Liquor Control Comm**
**2019-21 Biennium**

**Agency Number: 84500**
**Cross Reference Number: 84500-002-00-00-00000**

| Source | 2015-17 Actuals | 2017-19 Leg Adopted Budget | 2017-19 Leg Approved Budget | 2019-21 Agency Request Audit | 2019-21 Governor's Budget | 2019-21 Leg. Adopted Audit |
|---|---|---|---|---|---|---|
| **Other Funds** | | | | | | |
| Business Lic and Fees | - | - | - | 9,250,403 | - | - |
| Other Revenues | 39 | - | - | - | - | - |
| Transfer In - Intrafund | 19,069,655 | 21,507,858 | 22,138,265 | 26,667,517 | - | - |
| Transfer In - Indirect Cost | - | 1,052,531 | 1,052,531 | 1,683,716 | - | - |
| **Total Other Funds** | **$19,069,694** | **$22,560,389** | **$23,190,796** | **$37,601,636** | **-** | **-** |